[This Document is the Property of His Britannic Majesty's Government.]

Printed for the use of the Foreign Office. May 1905.

CONFIDENTIAL.

(8425.)

FO 424
204

F.O.

424

FURTHER CORRESPONDENCE

RESPECTING THE

REVISION OF THE COMMERCIAL TREATIES

BETWEEN

GREAT BRITAIN AND TURKEY.

[In continuation of Confidential Paper No. 7767.]

204

1902.

TABLE OF CONTENTS.

No.	Name.	No.	Date.	Subject.	Page
1	Sir N. O'Conor ..	135	Dec. 27, 1901	Correspondence with the High Commissioner with regard to the interests of Cyprus in connection with the commercial negotiations with Turkey	1
2	To Colonial Office ..	..	Jan. 8, 1902	Transmits copy of No. 1. Does Mr. Chamberlain concur in the suggestion that a separate arrangement should be made for Cyprus on the basis of the existing 8 per cent. duties	7
3	India Office ..	..	14,	Views of the India Office with regard to the duty on jute products, gunny bags, indigo and rice	7
4	Sir N. O'Conor .	4	14.	Transmits copy of further despatch to the High Commissioner with regard to the position of Cyprus	8
5	,, ,, ..	7	20,	Has informed the Porte that he is prepared to resume negotiations for the conclusion of a new Treaty of Commerce	9
6	,, ,, ..	8	20,	Transmits copy of despatch to Lord Cromer asking for observations as to the effect of the new Commercial Treaty on the trade between Egypt and Turkey .. .	10
7	Mr. D. D. Sheehan, M.P.	..	27,	Asks for information as to the proposed increase of duty on yarns going into Syria ..	11
8	Colonial Office .	..	28,	Mr. Chamberlain is awaiting a further expression of the High Commissioner's views before making observations as to Cyprus ..	11
9	To Mr. D. D. Sheehan, M.P.	..	29,	The Turkish Government must come to an agreement with His Majesty's Government before a new Tariff can be applied to British goods	13
10	To Sir N. O'Conor ..	17	31,	Amendments to Articles XX, XXIII, and XXV	13
11	To Colonial Office ..	..	31,	Transmits amended text of Articles XX, XXIII, and XXV	13
12	To Sir N. O'Conor ..	18	Feb. 1,	Approves action reported in No. 5 with regard to the resumption of commercial negotiations	14
13	Sir N. O'Conor .	9	Jan. 26,	Form in which the draft of the new Treaty will be handed to the Turkish Delegates ..	14
14	,, ,, ..	13	29,	Note addressed to Tewfik Pasha with regard to rumoured enforcement of the new Tariff ..	16
15	To Sir N. O'Conor ..	21	Feb. 10,	Approves action as reported in No. 14 ..	17
16	,, ,, ..	22	11,	Approves action as reported in No. 13 ..	17
17	Sir N. O'Conor ..	19	7,	Transmits text of paragraph inserted at the end of the Final Protocol with regard to compensation from losses resulting from application of new monopolies	17
18	,, ,, ..	23	18,	Explanation of the Turkish Government with regard to the enforcement of the new Tariff	18
19	,, ,, ..	24	20,	Observations of the Director-General of Egyptian Customs on the draft Treaty ..	18

No.	Name.	No.	Date.	Subject.	Page
20	India Office		Mar. 1, 1902	Observations of the Government of India on certain Articles of the revised draft ..	21
21	Messrs. Paul Hirsch and Josephy, Junior	..	3,	Waste of time caused to commercial travellers in Turkey by the duty levied on small samples	23
22	To Messrs. Paul Hirsch and Josephy, Junior	..	11,	Their letter has been sent to Constantinople for the Ambassador's information ..	23
23	To Sir N. O'Conor ..	35	13,	Approves action as reported in No. 18 ..	23
24	,, ,, ..	40	20,	Approves action as reported in No. 17 ..	23
25	Sir N. O'Conor ..	42	21,	Remarks on Messrs. Paul Hirsch and Josephy's letter (see No. 21)	24
26	,, ,, ..	44	23,	Proposed Agreement with regard to Cyprus ..	24
27	,, ,, ..	46	27,	Further observations of the Director-General of Egyptian Customs with regard to the draft Treaty	29
28	,, ,, ..	47	29,	Amended text of paragraph 11 of the Final Protocol	31
29	,, ,, ..	48	31,	Observations on the India Office letter of 1st March (see No. 20)	31
30	To Board of Trade ..	..	Apr. 9,	Proposes to approve text of Final Protocol, as suggested by Sir N. O'Conor (see No. 28) ..	32
31	Sir N. O'Conor ..	56	9,	Delay in commencing negotiations . ..	33
32	Board of Trade ..	..	17,	Concur in approving the new text of paragraph 11 of the Final Protocol	33
33	India Office ..	..	22,	Further letter from the Government of India as to Customs procedure and regulations ..	33
34	Colonial Office ..	..	23,	Observations as to the Tariff treatment of Cyprus. Mr. Chamberlain agrees that Cyprus should not be mentioned in the new Treaty ..	34
35	To Sir N. O'Conor ..	56	29,	Approves new text of paragraph 11 of the Final Protocol	35
36	Sir N. O'Conor ..	66	May 9,	Explains accidental omission of the word "sujets" in paragraph 11 of the Final Protocol	35
37	,, ,, ..	70	25,	Proposes an alteration in Article XX with regard to salt	35
38	To Colonial Office ..	..	June 4,	Do Colonial Office concur in alteration in Article XX?	36
39	India Office ..	..	17,	Asks for copies of draft Turkish Customs Tariff. Asks information as to indirect importation of Indian goods	36
40	Colonial Office ..	..	18,	Concurs in amended wording of Article XX ..	36
41	To Mr. de Bunsen ..	76	25,	Approves amended wording of Article XX ..	37
42	Mr. de Bunsen ..	92	30,	Memorandum as to the treatment of Indian goods reaching Turkey indirectly	37
43	,, ,, ..	93	30,	Transmits draft Treaty in its definite form, and suggests that it might be printed	38
44	To India Office ..	..	July 29,	Transmits No. 43 with amended draft of Treaty	38
45	Mr. de Bunsen ..	84 A Tel.	Aug. 6,	Asks for instructions as to commencing negotiations	38

No.	Name.	No.	Date.	Subject.	Page
46	Memorandum by Sir N. O'Conor	..	Aug. 8, 1902	Conditions in which negotiations may be commenced	39
47	Mr. de Bunsen ..	112	6,	Resumption of negotiations. Various points respecting which His Majesty's Government have cause of complaint	39
47*	To Mr. de Bunsen ..	19 Tel.	12,	Resumption of negotiations depends on action of Porte in quarantine and other questions	40*
48	Mr. de Bunsen ..	114	9,	Arrival of M. Naus, who wishes to place Persia in the same position as the European Powers with regard to the Turkish Tariff .	40
49	" " .	120	18,	Note to the Turkish Government respecting the resumption of commercial negotiations	41
50	To Mr. de Bunsen ..	105	27,	Approves note to the Turkish Government respecting the resumption of commercial negotiations	42

Printed for the use of the Foreign Office. *February* 1903.

CONFIDENTIAL.

Further Correspondence respecting the Revision of the Commercial Treaties between Great Britain and Turkey.

[In continuation of Confidential Paper No. 7767.]

No. 1.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received January* 6, 1902.)

(No. 135. Commercial.)

Constantinople, December 27, 1901.

My Lord,

THERE being some doubt as to the relation in which it is expedient that Cyprus should stand to the proposed new Turkish Tariff, it was suggested in the inclosure to your Lordship's despatch No. 88, Commercial, of the 3rd September, 1901, that I should communicate directly on the subject with His Majesty's High Commissioner.

A correspondence ensued, of which copies are inclosed.

It will be seen that Sir W. Haynes Smith apprehends the total destruction of the trade between Cyprus and Turkey in the event of the new Turkish Tariff being applied to exports from Cyprus. His Excellency asks, therefore, whether it will not be possible to negotiate a special Agreement to govern the trade relations of the island with the mainland of Turkey.

The question was fully discussed in 1891, when the conclusion of a new Commercial Treaty with Turkey appeared to be in sight. Sir E. Law then pointed out (see Inclosure 4 in Sir W. White's No. 77, Commercial, of the 10th April, 1891) that the main point for decision was whether Cyprus was to be regarded in Turkey, for Tariff purposes, as a foreign country or not.

In the opinion of the chief Collector of Customs in Cyprus (see Inclosure in No. 2 in Sir H. Bulwer's No. 98 of the 7th July, 1891, to the Colonial Office), it would be most to the advantage of the island to continue to stand to Turkey in the relation of a foreign country. In support of this view he showed that the bulk of the trade of Cyprus was with countries other than Turkey and Egypt. The average figures for the eight years from 1883–84 to 1890–91 were given as follows:—

	Imports to Cyprus.	Exports from Cyprus.
	£	£
Turkey	99,755	48,533
Egypt	32,698	56,987
Other countries	170,659	183,378

The more important trade with other countries, and especially with England, should, therefore, be fostered and developed in Cyprus by means of a Tariff specially framed for that purpose and better calculated to attain it than the draft specific Tariff which Cyprus would have to adopt if she were regarded as part of Turkey. As to the lesser trade with

the adjoining mainland, that could take care of itself. There would be no great fear of differential duties, less favourable than the Conventional Tariff, being levied upon imports from Cyprus in Turkey, for, Turkey sending more to Cyprus than Cyprus to Turkey, the fear of retaliation would compel Turkey to accord most-favoured-nation treatment, *i.e.*, the Conventional specific Tariff, to goods from Cyprus.

Sir W. Haynes Smith, however, is advised that this lesser trade between the island and the mainland would be utterly ruined even by the proposed Conventional specific Tariff, and his Excellency strongly deprecates any such loss being inflicted on the small Cypriote dealers and shipowners who carry on this traffic—a calamity which would be bitterly resented throughout the island. He pleads, therefore, for a separate arrangement with Turkey on the lines of the maintenance of the present 8 per cent. *ad valorem* duties.

I shall be very glad if such an arrangement proves possible, and, if your Lordship concurs, instructions will be given to the British Delegates to place the High Commissioner's figures and arguments clearly before the Turkish Delegates. It cannot certainly be in the interest of Turkey to annihilate, or even diminish, a trade the balance of which is, under present circumstances, in her favour.

It would have to be made quite clear, of course, that the demand for a special arrangement with Turkey implied no abandonment of the liberty possessed by Cyprus under the Supplementary Agreement of the 14th August, 1878, to conclude such Commercial Conventions as she chooses with other countries.

His Excellency's wishes as to the non-inclusion of Cyprus in the text of the new draft Treaty have already been complied with. No mention is made of Cyprus in the Colonial Article No. XXVII of the new draft of November 1901, and the old Article XXVII, relating to Egypt and Bulgaria, in which it had been proposed to include Cyprus, has now dropped out altogether.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 1.

Sir N. O'Conor to Governor Sir H. Smith.

Sir, *Therapia, October* 10, 1901.

HIS Majesty's Secretary of State for the Colonies has suggested that I should consult directly with your Excellency as to the best means of safeguarding the interests of Cyprus in the pending negotiations for a Commercial Treaty with Turkey.

Mr. Chamberlain observes that Cyprus is not mentioned by name in Article XXVII of the draft Treaty [of May 1901 (Colonial Article) numbered XXVII in the new draft of November 1901], and doubts whether the island can properly be regarded as coming within the terms "Protectorat" or "sphère d'influence Britannique quelconque."

There are, on the other hand, serious objections both to negotiating a separate Agreement between Cyprus and Turkey and to claiming for the island Tariff treatment as Turkish territory. If your Excellency considers that the wording of Article XXVIII quoted above cannot be held to include Cyprus, it might be advisable that Cyprus should be mentioned by name in the two paragraphs of the Article, as suggested by Mr. Weakley, Commercial Attaché to the Embassy, in the inclosed Memorandum.

I have further the honour to inclose, for any observations or suggestions that the Government of Cyprus may wish to make, an extract from a recent despatch to the Foreign Office as to alterations in the specific Tariff desirable in the interests of Cyprus, together with two comparative tabular statements in explanation of the effect of the new Tariff on the trade of Cyprus.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 2 in No. 1.

Memorandum by Mr. Weakley.

WITH reference to the despatch from the Colonial Office of the 22nd August, 1901, inclosed in the Foreign Office despatch No. 88, Commercial, of the 3rd September, 1901, I have the honour to report that Mr. Babington Smith, British Delegate on the Council

of the Public Debt Administration, has been consulted on the subject of the liberty which Cyprus will enjoy to export salt to Roumania.

Mr. Smith is of the opinion that no objections would be raised by his Council to such exportation, always provided the salt sent from Cyprus to Roumania was distinctly destined for consumption in that country, and was not sent in transit through Roumania to Servia.

It is understood that the Public Debt Administration has not found a very favourable market in Roumania for the sale of their salt; the greater part of the quantity (1,692 tons) mentioned in despatch No. 90, Commercial, of the 4th March, 1901, to the Foreign Office, as having been exported by the Public Debt to Roumania in the year 1898–99, was sent to Servia.

The objections to the export of salt to Servia from Cyprus are similar to those already raised by Mr. Smith in the concluding paragraphs of his Memorandum of the 2nd March, 1901 (copy of which was inclosed in No. 90, Commercial, of the 4th March, 1901), and also to the fact that Servia has frontiers co-terminous with those of Turkey.

Under the circumstances it would appear that no difficulties will be encountered in sending salt from Cyprus for consumption in Roumania, and under the new draft Treaty, as it stands at present, such cargoes will be able to pass freely through the Dardanelles and Bosphorus; it will consequently be unnecessary to amend the present text of Article XX.

From information which has come to hand, it appears that the sale of salt is a Government monopoly in Roumania, and the imports into that country are mainly confined to such purchases as are from time to time made by the Government.

Attention is drawn, in the despatch from the Colonial Office, to the omission of the mention of Cyprus in the new text of Article XXVIII,* and, in view of the possibility of the produce of that island being subjected to any differential Tariff which the Turkish Government might think fit to impose, it is suggested that Cyprus should be included in the Article, or, as an alternative, that a separate Agreement should be made in order to protect the interests of the island.

On consideration, it would appear preferable to include Cyprus in the text rather than enter into negotiations for the conclusion of a separate Agreement. The second and third paragraphs of the Article in question have accordingly been amended, for your Excellency's consideration, to read as follows:—

"Par. 2. Le Gouvernement de Sa Majesté Britannique pourra également notifier de la même façon l'accession aux stipulations du présent Traité, de la part de l'île de Chypre, d'un Protectorat, d'une sphère d'influence quelconque."

"Par. 3. Le Gouvernement de Sa Majesté Britannique aura de même la faculté de terminer séparément le Traité à l'époque qu'il voudra, en faisant notification à cet effet de la part de l'île de Chypre, d'une Possession ou Dépendance quelconque, qui pourra avoir accédé au dit Traité."

With regard to the suggestion contained in the concluding paragraph of the Colonial Office despatch, that this Embassy should communicate directly with the High Commissioner in Cyprus, to consider, in consultation with the Cyprus Government, the best means of protecting the interests of the island, it will be borne in mind that the specific Tariff, in its relation to the export trade of Cyprus with Turkey, has been fully dealt with in the despatch to the Foreign Office No. 79, Commercial, of the 17th August, 1901. In order to give effect to this suggestion, it might be advisable to forward an extract of the above-mentioned despatch—in so far as it concerns the trade of the island—to the High Commissioner for any observations and suggestions which the Government of Cyprus might wish to make on the subject.

Constantinople, September 28, 1901.

Inclosure 3 in No. 1.

Memorandum by Mr. Weakley.

IN order to give a clear explanation of the contents of the extract from despatch No. 79, Commercial, of the 17th August, 1901, with regard to the working of the proposed new specific Tariff, and its relation to the export trade of Cyprus with Turkey, two tabulated statements are inclosed.

* Article XXVII in the new draft of November 1901.

The first statement has been drawn up on the lines of the statement inclosed in Sir Haynes Smith's despatch to the Colonial Office of the 11th June, 1900, with a similar enumeration of articles, and shows the specific duty to be levied on each article, the assumed *ad valorem* equivalent, as well as the assumed value.

The second statement shows the total values of articles similar to those exported from Cyprus into Turkey, and imported by Turkey from foreign countries. This statement has been compiled from the latest obtainable Custom-house returns.

Constantinople, September 28, 1901.

Inclosure 4 in No. 1.

STATEMENT showing the specific Duty to be levied on each Article, the assumed *ad valorem* equivalent, as well as the assumed value.

	Specific Duty.	Assumed *Ad valorem* equivalent.	Assumed Value.
Animals—	Piastres gold.		
Horses	200 per head	8 per cent.	£T. 25 per head.
Mules	60 ,,	8 ,,	,, 7·50 ,,
Camels	120 ,,	8 ,,	,, 15 ,,
Donkeys—			
Large breeds	60 ,,	8 ,,	,, 7·50 ,,
Small breeds	20 ,,	8 ,,	,, 2·50 ,,
Foals	10 ,,	8 ,,	,, 1·25 ,,
Oxen	80 ,,	8 ,,	,, 10 ,,
Carobs	9 per 100 kilog.	15 ,,	Piastres gold 60 per 100 kilog.
Corn—			
Wheat	6·30 ,,	15 ,,	,, ,, 78·75 ,,
Barley and oats	4·25 ,,	15 ,,	,, ,, 53 ,,
Flour—			
Wheaten	11·50 ,,	15 ,,	,, ,, 76·66 ,,
Barley	9 ,,	15 ,,	,, ,, 76·66 ,,
Beans and peas	7 ,,	8 ,,	,, ,, 87·50 ,,
Cheese—			
Inferior quality	50 ,,	15 ,,	,, ,, 333 ,,
Superior quality	108 ,,	15 ,,	,, ,, 720 ,,
Fruit—			
Grapes	15 ,,	15 ,,	,, ,, 100 ,,
Oranges	15 ,,	15 ,,	,, ,, 100 ,,
Pomegranates	37·50 ,,	15 ,,	,, ,, 250 ,,
Raisins	45 ,,	15 ,,	,, ,, 300 ,,
Poultry	0·50 per head	8 ,,	,, ,, 6·25 per head.
Spirits—			
Raki, in wood	100 per 100 kilog.	20 ,,	,, ,, 500 per 100 kilog.
,, in bottle	150 ,,	20 ,,	,, ,, 750 ,,
Brandy, in wood	100 ,,	20 ,,	,, ,, 500 ,,
Wine—			
In wood	90 ,,	20 ,,	,, ,, 450 ,,
In bottle	100 ,,	20 ,,	,, ,, 500 ,,
Vinegar—			
In wood	13 ,,	20 ,,	,, ,, 65 ,,
In bottle	30 ,,	20 ,,	,, ,, 150 ,,
Cotton	40 ,,	8 ,,	,, ,, 500 ,,
Flax	20 ,,	8 ,,	,, ,, 250 ,,
Silk—			
Cocoons	240 ,,	8 ,,	,, ,, 3,000 ,,
Raw	800 ,,	8 ,,	,, ,, 10,000 ,,
Aniseed	30 ,,	15 ,,	,, ,, 200 ,,
Sesame	14 ,,	8 ,,	,, ,, 175 ,,
Straw	1·20 ,,	8 ,,	,, ,, 15 ,,
Sumac leaves	8 ,,	8 ,,	,, ,, 100 ,,
Gypsum stone	2 ,,	8 ,,	,, ,, 25 ,,
Cotton (manufactured)	125 ,,	15 ,,	,, ,, 834 ,,
Earthenware	12 ,,	12 ,,	,, ,, 100 ,,
Leather (sole)	125 ,,	10 ,,	,, ,, 1,250 ,,
,, (boots)	500 ,,	15 ,,	,, ,, 3,334 ,,

Inclosure 5 in No. 1.

STATEMENT of certain Imports into Turkey for the Years 1895–96 and 1896–97.

	Values.	
	1895–96.	1896–97.
	£T.	£T.
Horses and mules	102,203	56,235
Oxen and buffaloes	77,697	57,987
Wheat	466,164	180,887
Barley	136,245	101,299
Oats	213	1,720
Flour	899,845	846,330
Oranges and lemons	41,514	40,112
Figs	7,769	6,541
Grapes	8,538	11,462
Wines	29,277	24,185
Spirits (raki)	17,272	15,008
Alcohol	177,504	182,718

Inclosure 6 in No. 1.

Governor Sir H. Smith to Sir N. O'Conor.

Government House, Nicosia, November 25, 1901.

Sir,

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 10th October last intimating that His Majesty's Secretary of State for the Colonies had suggested that your Excellency should consult direct with myself as to the best means of safe-guarding the interests of Cyprus in the pending negotiations with the Sublime Porte for a Commercial Treaty.

2. I am advised by my officers and by those who have full knowledge of the trade, that the specific Tariff which is proposed will utterly ruin the trade of Cyprus with the Turkish dominions.

Taking some of the principal articles in which there is a trade with the neighbouring Turkish countries, the Receiver-General writes as follows:—

"*Camels.*—In 1899 eighty-six were exported to Turkey, their value being placed at 260*l.*, or just over 3*l.* each, whereas Turkey puts their value in the new Tariff at about 13*l.* 10*s.*

"*Donkeys, large.*—As the donkeys exported to Turkey are small, we only have to deal with that class. The new Tariff fixes the price of small donkeys at 2*l.* 5*s.*, whereas the Cyprus value is about 30*s.* each. The number of donkeys exported to Turkey in 1899 was 2,526, valued at 3,914*l.*

"*Raisins.*—The quantity exported to Turkey in 1899 was 15,387 cwt., value 4,406*l.* In the new Tariff the rate of duty chargeable on value is nearly doubled, and the value placed on raisins is four times the actual value of Cyprus raisins.

"*Spirits and Wines.*—The proposed duty of 20 per cent. on wines, spirits, and vinegar is, taking the ordinary quality of Cyprus wine forming the bulk exported to Turkey, prohibitive, and I understand will practically close our trade in wine, spirit, and vinegar with that country.

"The exports to Turkey during 1899 were—

	£
"Raki, 88,324 gallons = 309,134 okes, value	4,943
Wines, 354,106 gallons, value	8,734
Vinegar, 77,727 gallons, value	943"

3. Your Excellency points out in your despatch No. 79, Commercial, of the 10th August, 1901, to the Marquess of Lansdowne that the imports from Cyprus are so trifling as compared with the total imports of similar articles into Turkey from other countries,

that you consider it would be futile to seek for any modification of the specific Tariff to which these other importing countries may consent. This, no doubt, is an unanswerable argument against raising any further discussion if Cyprus were simply a foreign country as regards Turkey, or were in a similar position to Crete, which pays no annual tribute money to Turkey. Your Excellency indicates there are serious objections both to negotiating a separate Agreement between Cyprus and Turkey, and to claiming for the island Tariff treatment as Turkish territory. If there should be any commutation of the annual tribute for a cash payment in full, the island could of course have no place to be heard in any general Tariff arrangements which the Government of Turkey may be enabled to make; but while the annual tribute continues to be paid to Turkey, of which about 60,000*l.* per annum is paid by the island, there would be deep resentment in the island if the situation as regards Turkey were so seriously altered for the worse as regards Cyprus. The occurrences in Crete have greatly affected the Greek-speaking Cypriots, who bitterly chafe at the payment of the tribute, and who look to Crete as having, by violence and disorder, escaped any such burden. I would therefore ask your Excellency to consider the serious objections which arise to the course of leaving Cyprus to the effect of the proposed Tariff, while the payment of the annual tribute continues, and to ask whether it may not be possible to negotiate a separate Agreement on behalf of Cyprus while the payment of the tribute to Turkey continues.

4. The trade with the opposite Turkish coasts is in the hands of small dealers and small ship-owners, and although the bulk of the trade is comparatively small, it is of importance to the Cypriots, and many of the inhabitants are engaged in it, so that the spirit of dissatisfaction would be very widespread if the trade were ruined. I have already mentioned that most of the articles exported from Cyprus to Turkey are produced in Turkey, so that the duties would operate as protective and prohibitive duties against the products of Cyprus.

5. I may perhaps allude to the effect which an increased Tariff against Cyprus would almost certainly have on the island, in creating a system of organized smuggling into the opposite and adjacent coasts. Any such system would be difficult to check, and would entail increased expenditure in preventive service, if we are not to be embroiled in disputes with our neighbours. On the other hand, it may be said that if there were a special arrangement with Cyprus, the door might be open to evasion, but I think the answer to that is, that a strict system of certificates of origin could be worked by British Customs officials which would make evasion impracticable.

6. As regards the question whether Cyprus should be included in the proposed Treaty by name, I am not in a position to appreciate fully the danger to Cyprus of not being so included. In the statement of the 28th September, 1901, inclosed in your despatch, the inclusion of Cyprus is recommended "in view of the possibility of the produce of the island being subjected to any differential Tariff which the Turkish Government might think fit to impose"; but if my advisers are correct, as I believe they are, the Cyprus trade to Turkey will be entirely destroyed by the Tariff of the Treaty, and nothing would be gained by coming within its provisions. If the Treaty did not include Cyprus, then I should hope that all that would be necessary would be a Convention that the duties now in force should, while the tribute was payable, be continued as regards Cyprus. It may be said that this would give an advantage to Cyprus, and I hope it would. The fair trade between Cyprus and the opposite coasts of Turkey is of advantage to the communities in each country, and no injury can be done to Turkey, for the bulk of the trade from Cyprus must always remain small as compared with the total imports of Turkey, while any step tending to increase the trade will serve to allay the galling irritation, which is increasingly being manifested, at 60,000*l.* a-year being drawn from the island and sent to Turkey.

7. I lay these matters fully before your Excellency because I hope it may be possible for you to avert the threatened danger to Cyprus, and by your action to turn the circumstances to the increase rather than to the destruction of the Cyprus trade, which, though so trifling to Turkey, is of great importance to Cyprus.

I have, &c.
(Signed) W. F. HAYNES SMITH.

Inclosure 7 in No. 1.

Sir N. O'Conor to Governor Sir H. Smith.

Constantinople, December 27, 1901.

Sir,

IN reply to your Excellency's letter of the 25th ultimo, I have the honour to state that, if His Majesty's Government concur, I shall be happy to instruct the British Delegates for the proposed commercial negotiations with Turkey to place your figures and arguments clearly before the Turkish Delegates, with a view to concluding, if possible, a separate arrangement between Cyprus and Turkey on the lines laid down by you Excellency.

A copy of my Report on the subject to the Secretary of State is inclosed.

I have, &c.
(Signed) N. R. O'CONOR.

No. 2.

Foreign Office to Colonial Office.

Foreign Office, January 8, 1902.

Sir,

WITH reference to the letter from this Office of the 7th instant respecting the commercial relations between Turkey and Cyprus, I am directed by the Marquess of Lansdowne to transmit herewith a copy of a despatch from His Majesty's Ambassador at Constantinople, inclosing correspondence with the High Commissioner on the subject.*

I am to request that his Lordship may be informed whether Mr. Secretary Chamberlain concurs in the proposal that an attempt should be made to conclude a separate arrangement for Cyprus on the basis of the existing 8 per cent. duties.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 3.

India Office to Foreign Office.†—(*Received January* 15.)

India Office, January 14, 1902.

Sir,

IN reply to your letter of the 13th December, 1901, on the subject of the proposed revision of the Ottoman Customs Tariff, I am directed to state, for the information of the Marquess of Lansdowne, that the Secretary of State for India in Council understands that the specific rates of duty now proposed by Mr. de Bunsen for jute products other than gunny bags represent 12 per cent. *ad valorem*, and that for gunny bags an equivalent rate of duty has already been inserted by His Majesty's Ambassador in the draft specific Tariff. If this is the case, his Lordship has no objection to the revised rates.

With regard to the revised rates for indigo of all kinds, I am to say that Lord George Hamilton accepts this rate as fairly representing 8 per cent. of the mean value of Bengal indigo. His Lordship desires me, however, to point out that the value of the Madras product is considerably lower than that of Bengal in the proportion of about 100 to 140, and to suggest that, as in the Egyptian Tariff, particulars of which will be found on p. 26 of the Board of Trade Journal of the 4th July, 1901, a proportionately lower rate might be fixed for Madras indigo.

Lord George Hamilton concurs in the proposal to reduce the rate of duty on rice to a figure representing 8 per cent. of the value.

I am, &c.
(Signed) A. GODLEY.

---

* No. 1.

† Copy to Constantinople, No. 10, Commercial, January 21, 1902.

No. 4.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received January 20.)*

(No. 4. Commercial.)

My Lord, *Constantinople, January 14, 1902.*

I ASK leave to correct the sense of the last paragraph of my despatch No. 135, Commercial, of the 27th ultimo, in which it is inadvertently observed that no mention is made of Cyprus in the Colonial Article No. XXVII of the new draft, dated November, of the proposed Commercial Treaty with Turkey.

As a reference to that Article will show, Cyprus is, in point of fact, mentioned in the second paragraph of the said Article, which states that His Majesty's Government can notify the accession of a Protectorate of a sphere of influence or of Cyprus to the stipulations of the Treaty.

I have the honour, at the same time, to transmit copy of a further letter which I have addressed to Sir W. Haynes Smith, pointing out some of the difficulties which lie in the way of making a separate Agreement with Turkey in respect of Cyprus, and asking for his Excellency's observations thereon.

I shall, of course, be careful to adopt no course involving any recognition of a change in the status of Cyprus without previously obtaining your Lordship's instructions on the point.

As to the question of specially mentioning Cyprus, or not, in Article XXVII, I think this must stand over until it is settled whether, for Tariff purposes, Cyprus is to be treated as a foreign country or as a part of Turkey.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 4.

Sir N. O'Conor to Governor Sir H. Smith.

Sir, *Constantinople, January 14, 1902.*

WITH further reference to your letter of the 25th November, I have the honour to ask your Excellency's attention to the following considerations, which occur to me as affecting your proposal that by an Agreement with Turkey, separate from the proposed new Treaty, it should be arranged that the existing 8 per cent. *ad valorem* duties should continue to be applicable in Turkey to goods from Cyprus.

It seems to me that, admitting the impracticability of obtaining a reduction of the duties assigned by the new conventional specific Tariff to the items in which Cyprus is most interested, only two alternatives remain, namely:—

1. That Cyprus should continue to be regarded by Turkey for Tariff purposes as a foreign country, in which case the island, in common with other foreign countries, would have its produce subjected to the new conventional specific Tariff.

2. That under a special Agreement Cyprus should be regarded in Turkey, for Tariff purposes, as a portion of Turkey. In this case her goods would become liable to the régime which has now replaced in Turkish ports the former 8 per cent. internal duty. This was abolished in the year 1900 and replaced by the "tadjizat-i-askerie," *i.e.*, a tax of 2 per cent. *ad valorem*, the proceeds of which go to meet the national expenditure on munitions of war.

Both of these alternatives exclude the continuance of the 8 per cent. duties, and I do not at present see how these could be maintained without giving rise to a demand on the part of foreign Powers for the admission of their merchandize at the same 8 per cent. rate, which would be obviously more favourable than the new conventional specific Tariff.

Course No. 1 is rejected by your Excellency as likely to prove destructive to the trade between Cyprus and Turkey.

I have therefore expressed my willingness to consult the Secretary of State as to the adoption of the second course with a view to securing the assimilation of imports from Cyprus into Turkey to those from any other Turkish ports.

I desire, however, before a decision is reached, to inquire whether it has been

* Copy to Colonial Office, January 23, 1902.

clearly perceived that a separate arrangement of the kind which is contemplated would carry with it an alteration of the present status of the island as regards Tariff questions.

Until the abolition of the Turkish internal duties in 1900, the duty of 8 per cent. paid by Cyprus goods in Turkey might be regarded equally as an internal or external duty, for there was no difference between them. Since that date, however, this 8 per cent. duty can only be regarded as an external duty, and it is clear that Cyprus is at present treated in Turkey as a foreign country. The conclusion of the separate Agreement would cause her to be treated as an integral part of Turkey.

I should be glad to have your Excellency's opinion on this aspect of the question.

I presume that if Turkey consents to any special arrangement with Cyprus, she will expect that Turkish goods will be treated in Cyprus in the same favourable manner.

I also suggest, for your Excellency's consideration, whether it would not be well to enumerate the Articles which your Government desire to include in the special arrangement, such, for instance, as those mentioned in your Excellency's letter of the 25th November, namely, camels, donkeys, and the particular classes of raisins and wine and spirits produced in Cyprus. I am afraid that, if we demanded the admission of all imports from Cyprus at, say, a 2 per cent. rate, it might be objected by the Turkish negotiators that foreign goods would seek to evade the higher duties of the Turkish conventional specific Tariff by being first taken to Cyprus and paying there the lower 8 per cent. duty now imposed by the Cyprus Tariff, and then making their way into Turkey under the heading of Cyprus goods. It might, however, be possible to satisfy the Turkish negotiators on this point if I could show that it was only intended that certain goods the peculiar product of Cyprus should profit by the special arrangement.

I have the honour to inclose copy of a further despatch on the subject which I am addressing to Lord Lansdowne.

I have, &c.

(Signed) N. R. O'CONOR.

No. 5.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received January 27.)*

(No. 7. Commercial.)

My Lord, *Constantinople, January 20, 1902.*

I HAVE not till now availed myself of the authorization to commence the new commercial negotiations with Turkey contained in your Lordship's No. 117, Commercial, of the 12th November last, because it seemed advisable first to make sure that the Sublime Porte was taking into consideration the three points as to which I have repeatedly informed them that some understanding must be come to before I could advise His Majesty's Government to sign a new Treaty, namely, the objectionable new Mining Regulations, the Customs Regulations, and the irksome restrictions placed in the way of trade by the chemical analysis conducted by the School of Medicine.

I may say that I have found the new Grand Vizier willing to examine these questions in a friendly spirit, and I am now of opinion that the negotiation should be no longer delayed.

Germany completed her new Treaty in the year 1890. The French text is initialled and ready for signature as soon as approved by the Chambers. The Russian text, though not initialled, has, I am informed, been fully worked out. The Austro-Hungarian Embassy has apparently reached a deadlock, but some progress had previously been made with their negotiation. Italy is understood to be ready to follow the lead of the other great Powers.

But my principal reason for desiring to take the matter in hand is that, as stated in Mr. de Bunsen's Commercial despatch No. 123 of the 14th ultimo, there are indications of an intention on the part of the Ottoman Government to endeavour to put the new Tariff into force at an early date. I have obtained from the Minister for Foreign Affairs a verbal assurance that this will not be done without the concurrence of the Powers. But it is well to be prepared for such an eventuality, and I think it would be easier to deal with

* Copy to Colonial Office, India Office, and Board of Trade, February 1, 1902.

it if we could show that we are making a serious attempt to meet the legitimate wishes of Turkey in the matter of a new Treaty.

I have therefore addressed to the foreign Minister the note of which copy is inclosed, in reply to the note from his Excellency, forwarded to your Lordship in my despatch No. 31, Commercial, of the 30th April last.

The three above-mentioned points will be reserved for the present, but I shall continue to remind the Ottoman Government that I shall require satisfaction with regard to them before the signature of any new Treaty.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 5.

Sir N. O'Conor to Tewfik Pasha.

Constantinople, January 19, 1902.

M. le Ministre,

IN reply to your Excellency's note of the 27th April, 1901, I have the honour to state that I am now prepared to resume negotiations with the Sublime Porte for the conclusion of a new Treaty of Commerce.

Mr. de Bunsen, His Majesty's Secretary of Embassy, and Mr. E. Weakley, Commercial Attaché to His Majesty's Embassy, have been appointed British Delegates for this purpose.

The delay which has occurred in answering your Excellency's above-mentioned note is due to the communications with His Majesty's Government, which were necessary in order to enable me to enter upon the new negotiation with a full knowledge of their views on the points at issue.

I have, &c.
(Signed) N. R. O'CONOR.

No. 6.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received January* 27.)

(No. 8. Commercial.)

Constantinople, January 20, 1902.

My Lord,

WITH reference to my despatch No. 76, Commercial, of the 12th August last, I have the honour to transmit herewith to your Lordship copy of a despatch which I have to-day addressed to His Majesty's Agent and Consul-General at Cairo, requesting his Lordship's observations as to the effect on the trade between Egypt and Turkey of the proposed new Commercial Treaty.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 6.

Sir N. O'Conor to the Earl of Cromer.

Constantinople, January 20, 1902.

My Lord,

HIS Majesty's Embassy is about to enter upon a negotiation with the Ottoman Government for the conclusion of a new Commercial Treaty. The only mention of Egypt in the draft to be submitted as a basis by the British Delegates is in Article VII, of which I have the honour to inclose a copy. It maintains the system, which I take to be that of the arrangement of the 18th December, 1890, between the Egyptian and Turkish Custom-houses, under which trade between Egypt and Turkey is now carried on.

The German Treaty with Turkey of 1890, which has never become operative, and the French draft of a new Treaty contain an Article, likewise inclosed in copy, extending the operation of the Treaty to the entire Ottoman Empire, including Egypt, but, after communication with your Lordship (see my letter of the 29th June and

Sir R. Rodd's reply of the 23rd July last), this Article has been omitted from the British draft.

To the proposed new Treaty is annexed a specific Tariff which Turkey desires to substitute for the existing 8 per cent. *ad valorem* duties. It was originally drawn up in the year 1885 in concert between the British and Ottoman Delegates and signed by the former, subject to certain conditions. In the course of negotiations between Turkey and some of the other Powers certain modifications were introduced into it, and it then took the form and designation of the "Conventional Unified Tariff" of 1891. His Majesty's Government are now about to submit certain further modifications, especially in respect of cottons, which have become necessary on account of the fluctuations of prices since the figures were fixed. A copy of the Tariff, showing the desired modifications in red ink, is further inclosed.

I presume that, under the above-mentioned Customs arrangement of 1890, the new duties will become applicable to Egyptian goods imported into Turkey, and that foreign goods passing through Egypt on their way to Turkey will pay duty in Egypt according to the Egyptian Tariff, making good on their arrival in Turkey the difference between the Egyptian Tariff and the new Turkish specific Tariff.

I shall be happy, however, to receive any observations which your Lordship may have to offer on the subject.

For your Lordship's further information I also transmit a complete copy of the draft Treaty in the form in which it will be submitted to the Turkish negotiators.

I have, &c.
(Signed) N. R. O'CONOR.

No. 7.

Mr. D. D. Sheehan, M.P., to Foreign Office.—(*Received January* 27.)

House of Commons, January 27, 1902.

Dear Sir,

I SHOULD be pleased if you would let me know, with as little delay as possible, whether you can give me any information as to a projected increase of duty on all yarns going into Syria. I should wish to be quite clear whether the Turkish Government could make such an increase without in the first place obtaining the sanction of the various Governments who are parties to the Capitulations.

Faithfully yours,
(Signed) D. D. SHEEHAN.

No. 8.

Colonial Office to Foreign Office.—(*Received January* 29.)

Downing Street, January 28, 1902.

Sir,

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letters of the 8th and 24th instant, on the subject of the commercial relations between Cyprus and Turkey, and to inclose, for the information of the Marquess of Lansdowne, copy of a despatch from the High Commissioner, and of the reply returned to it, from which his Lordship will observe that Sir W. Haynes Smith has been requested to suggest the basis of a separate Arrangement.

Mr. Chamberlain will defer offering any observations on the matter until he has received a further expression of the High Commissioner's views with regard to the inclosed despatch of the 8th instant and the letter addressed to him by Sir N. O'Conor on the 14th instant.

I am, &c.
(Signed) H. BERTRAM COX.

Inclosure 1 in No. 8.

High Commissioner Sir W. Haynes Smith to Mr. Chamberlain.

Government House, Nicosia, November 28, 1901.

Sir,

I HAVE the honour to report to you that His Majesty's Ambassador as Constantinople has, in pursuance of the suggestion from the Colonial Office, communicated with me direct as to the effect on Cyprus of the proposed Commercial Treaty with Turkey. I annex a copy of the communication and of my reply.

2. The proposed Tariff will entirely ruin the export trade of Cyprus with Turkey. The articles so exported are similar to those produced in the neighbouring countries of Turkey, and the Tariff will, therefore, be a protective Tariff against Cyprus. This trade is carried on, for the most part, in small vessels between the island and the adjacent coasts, and in several instances depends on the sea transport being cheapest. The Tariff is so high that it will entirely destroy any profit, and my advisers report that it must completely destroy the trade. This is the view also taken by those engaged in the trade, and I fear it is correct.

3. The Ambassador stated that there were serious objections to negotiating a separate Arrangement for Cyprus, but the payment of the tribute makes a very marked distinction between this island and Crete or Samos. The trade is in the hands of many persons having a little capital, and is one to which the people are long accustomed. The irritation at its destruction would be out of all proportion to the value as it appears on the official Returns, and any action by the Turkish Government destroying this trade while the tribute continued to be paid would greatly strengthen the agitation against the tribute.

4. I understand that if Cyprus is not included in the Treaty the matter is then left for the action of the Turkish Government. No worse result can occur to the trade than will occur under the proposed Treaty, for it is immaterial whether 20 or 50 per cent. is charged, say, on wines and spirits—either kills the trade; and as no benefit is gained by the proposed Treaty, I would, on behalf of Cyprus, ask that Cyprus should not be included. Any action then taken by the Turkish Government would not be resented in the island as done with the consent of the British Government.

5. I trust, however, that it may be possible to enter into a separate Convention securing to Cyprus, while the tribute is paid, the privilege of only paying the duties levied when the amount of the tribute was settled. I have, in my reply to the Ambassador, endeavoured to urge this on equitable grounds and to answer possible objections.

6. If high duties are going to be levied on the opposite coasts against Cyprus goods, a great impetus will be given to smuggling. At present the Turkish authorities complain of arms and goods being smuggled on their coasts, and suspect Cyprus. These things, I am given to understand, are smuggled, but not from Cyprus, as the people here have little interest in doing so. I am informed the smuggling is done by a number of small steamers which get their contraband cargo at sea, run them ashore, and then come with clean papers to some non-Turkish port. With high customs duties, however, on the coasts, within sight of Cyprus, it will be very difficult, without an organized preventive service—which is expensive—to prevent Cyprus being made a smuggling base, and thus embroiling us with our neighbours, and the Government with its own people.

7. It certainly would be a misfortune to the Administration if the relations with Turkey were altered so much to the disadvantage of the Cypriots while the tribute to Turkey continued to be paid. The Ambassador points out that it would be futile to ask that the general Tariff should be modified to suit the Cyprus trade, and, of course, the only ground for referring to Cyprus at all is that the island is the tributary of Turkey. The argument that the ability to pay the tribute depends on the trade of the country, and that it is unfair for the country receiving the tribute to destroy a portion of the trade without reducing the tribute, is one which will be much pressed in the present agitation in the island. It is certainly desirable, in the interests of Cyprus, that the present position should be maintained rather than it be altered to the injury of Cyprus.

I have, &c.
(Signed) W. F. HAYNES SMITH.

Inclosure 2 in No. 8.

Mr. Chamberlain to High Commissioner Sir W. Haynes Smith.

Downing Street, January 8, 1902.

Sir,

I HAVE the honour to acknowledge the receipt of your despatch of the 28th November, regarding the effect on Cyprus trade of the proposed Commercial Treaty with Turkey.

In view of the statement in your despatch that the proposed Tariff, if applied to Cyprus goods, will entirely ruin the island's trade with Turkey, it is obviously desirable to negotiate, if possible, a separate Convention securing to Cyprus not less favourable treatment than she has received in the past; but as Cyprus has a free hand in taxing Turkish imports, it can scarcely be expected that differential treatment in favour of Cyprus goods can be obtained without her granting equivalent concessions to Turkey. I shall be glad, therefore, if you will consider and report what basis you would propose for a separate Convention.

I have, &c.
(Signed) J. CHAMBERLAIN.

No. 9.

Foreign Office to Mr. D. D. Sheehan, M.P.

Foreign Office, January 29, 1902.

Sir,

IN reply to your letter of the 27th instant, respecting the Turkish import duties on yarns, I am directed by the Marquess of Lansdowne to state that the Ottoman Government would have to come to an agreement with His Majesty's Government before any new Tariff could be applied to British goods.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 10.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 17. Commercial.)

Foreign Office, January 31, 1902.

Sir,

I HAVE had under my consideration Mr. de Bunsen's letter to Sir Henry Bergne of the 27th November, 1901, in which he points out the desirability of certain amendments to Articles XX, XXIII, and XXV, and to the Final Protocol of the draft Commercial Treaty with Turkey; and I have to inform your Excellency that I concur in the suggested amendments.

Copies of the above-mentioned Articles and Final Protocol, as amended, are herewith inclosed; and I request that your Excellency will cause them to be substituted for those in the draft Treaty, which was forwarded with my despatch No. 117, Commercial, of the 12th November, 1901.

I am, &c.
(Signed) LANSDOWNE.

No. 11.

*Foreign Office to Colonial Office.**

Foreign Office, January 31, 1902.

Sir,

I AM directed by the Marquess of Lansdowne to transmit herewith, to be laid before Mr. Secretary Chamberlain, copy of a letter from Mr. de Bunsen, Secretary of His Majesty's Embassy at Constantinople,† in which he points out the

* Also to India Office and Board of Trade.

† See Confidential Paper 7767, No. 73.

desirability of certain amendments to Articles XX, XXIII, and XXV, and to the Final Protocol of the draft Commercial Treaty with Turkey.

I am to state that his Lordship has expressed his concurrence in the suggested amendments.

Copies of the above-mentioned Articles and Final Protocol, as amended, are herewith inclosed; and I am to request that they may be substituted for those in the draft Treaty, which was forwarded with the letter from this Office of the 3rd ultimo.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 12.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 18. Commercial.)
Sir, *Foreign Office, February* 1, 1902.

I HAVE received your Excellency's despatch No. 7 of the 20th ultimo, respecting the resumption of commercial negotiations with Turkey, and I approve your action in the matter.

I am, &c.
(Signed) LANSDOWNE.

No. 13.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received February 3.)

(No. 9. Commercial.)
My Lord, *Constantinople, January* 26, 1902.

WITH reference to my despatch No. 7, Commercial, of the 20th instant, I have the honour to inform your Lordship that the draft of a new Treaty with Turkey will be handed to the Turkish Delegates in the form in which it was transmitted in your Lordship's Commercial despatch No. 117 of the 12th November last, with the following alterations:—

In Article XX the second paragraph is altered to stand as follows:—

"La Sublime Porte aura la faculté, pendant la durée du présent Traité, d'établir des monopoles sur le papier à cigarette, l'alcool, les cartes à jouer, le pétrole, et les allumettes."

This amendment seemed to me desirable in order to avoid any appearance of admitting that after the expiration of the new Treaty Turkey will be at liberty to establish what monopolies she pleases.

The original text, according to which Turkey engages not to establish other monopolies than the authorized ones during the period of the Treaty, would appear to leave her free to do what she likes when the Treaty expires. This would be in derogation of Article II of the Treaty of 1838, which in our view forms part of the Capitulations, precluding Turkey from settling up any monopolies whatever. The amended text is, I think, an improvement. It is quite likely, however, that Turkey will press for the adoption of the other version.

In Article XXIII I have authorized the omission in the sixth line of the word "certifiées." If it is to be required that copies of ships' manifests are to be handed over to the Turkish authorities in a certified form, the latter may claim that this means their being certified by a Consul. This would be an absurdity, for the original manifest is to be presented with the copies, and obviously requires no certifying except, perhaps, with the captain's signature. The Article in its present form was taken from the Customs Regulations as amended by the joint labours of the Embassies in 1894, but the word "certifiées" is certainly superfluous and might possibly give rise to difficulties.

In Article XXV, last line but one of paragraph 4, "que la" is replaced by "qu'une." The definite Article is out of place.

In the Final Protocol, paragraph 3, I have inserted the amended passage concerning Messrs. Lynch's privileges, which was sanctioned in your Lordship's despatch No. 78, Commercial, of the 13th August, 1901, but omitted, no doubt by inadvertence, from the printed draft of the Treaty.

I have thought it best to cut out altogether Article XXVII concerning Colonies, possessions, and spheres of influence, pending a decision on the point whether Cyprus should or should not be menrioned in the Article. The Turkish negotiators will be informed that this Article is still under consideration.

The Tariff will be submitted in the form in which it was printed in your Lordship's Department, entitled, "Tarif d'Importation de l'Empire Ottoman" [6445, correct to the 31st December, 1893], with corrections in red ink, showing the modifications respecting cottons and other items approved by your Lordship's despatch No. 121, Commercial, of the 20th November, 1901. The further modifications desired by the India Office are also marked in red ink. The figures were transmitted to your Lordship for approval in Mr. de Bunsen's despatch No. 119, Commercial, of the 30th November last, and they have now been corrected to meet the wishes of the India Office in respect of indigo, as expressed in their letter of the 14th January, inclosed in your Lordship's despatch No. 10, Commercial, of the 21st January. A copy of the Tariff is inclosed, showing the whole of the corrections made.*

I trust that these arrangements will meet with your Lordship's approval.

The British Delegates will not fail, as desired by your Lordship, to make it clearly understood that the final concurrence of His Majesty's Government in any draft Treaty which may result from the negotiations is reserved until the draft agreed upon between the Delegates can be considered in its complete form.

I venture to offer the following observations on three points mentioned in your Lordship's despatch No. 117, Commercial, of the 12th November, already referred to.

With regard to Article XX, your Lordship is good enough to leave it with me to decide whether it is necessary or desirable to obtain an explicit assurance from the Porte that Cyprus salt may be conveyed through the Dardanelles and the Bosphorus to ports outside the sphere of the Ottoman Customs Administration. In the inclosure in your Lordship's despatch No. 105, Commercial, of the 17th October it is stated that this facility is desired for the purpose, not of sending Cyprus salt to Bulgaria, but to Roumania. I understand that the Ottoman Public Debt, which administers the salt monopoly in Turkey, could not oppose the purchase of Cyprus salt by Roumania for consumption in Roumania, but that it is somewhat apprehensive of salt being sent to Roumania merely for the purpose of transit to Servia, where it would enter into serious competition with Turkish salt supplied by the Public Debt. An arrangement with the Roumanian Government might, perhaps, be made which would satisfy the Public Debt on this point. But so far as the liberty of passage through the Straits is concerned, I do not consider that this is endangered by any of the provisions of the draft Treaty. The Straits are open to through traffic except in explosives, as to which Turkey has some right of supervision, and, in point of fact, cargoes of Russian salt not unfrequently pass the Straits from Russia without any question being raised by the Porte. I do not propose, therefore, to deal with the matter in connection with the Treaty negotiations.

Article XXVIII.—It is suggested that the last poragraph, confirming the rights enjoyed by either Power at the date of the signature of the Treaty, is superfluous, inasmuch as British rights under the Capitulations seem to be fully secured by the terms of Article I. In Turkey, however, many rights and privileges have grown up, in virtue of custom almost as strong as positive law, which are not precisely defined in the ancient Treaties. I think, therefore, that the paragraph in question, which was introduced in the course of the French negotiation, is not without its use, as confirming all existing rights, whether derived from the Capitulation or from any other source. The paragraph has been retained in the draft about to be submitted.

Your Lordship further directs me to take a suitable opportunity to endeavour to induce the Porte to agree to the permanent removal of restrictions as to the size and number of British vessels allowed to navigate the Tigris above Bussorah. As stated in my despatch No. 404 of the 18th November last, I am in consultation with His Majesty's Consul at Bussorah concerning Messrs. Lynch's desire to run a third steamer, which was conveyed to me in your Lordship's despatch No. 250 of the 1st November. When I receive Mr. Wratislaw's Report on this subject I shall be in a better position to judge what can be done. Meanwhile, I propose to make no alteration in the text of paragraph 3 of the Final Protocol as sanctioned by your Lordship, which was drawn up in consultation with Messrs. Lynch, and had their approval. I shall, however, bear the question in mind, and if, after hearing from Mr. Wratislaw, and ascertaining the exact text of the privileges which, it is believed, have been accorded to Germany by the

* Not printed.

Bagdad Railway Convention in respect of the steam-ship facilities in the Tigris and Euphrates, I should see my way to claiming an extension of Messrs. Lynch's privileges. I will endeavour to gain our point by making it a condition of the signature of the new Treaty. Before finally consenting to an increased Tariff, which will fall very heavily on British imports, I consider we are entitled to insist upon any reasonable compensation of this kind which will be of advantage to our commerce without materially injuring the interests of Turkey.

I have, &c.
(Signed) N. R. O'CONOR.

No. 14.

Sir N. O'Conor to the Marquess of Lansdowne.[*]—(*Received February* 3.)

(No. 13. Commercial.)
My Lord, *Constantinople, January* 29, 1902.

I TOOK occasion, a few days ago, to mention to the Ottoman Minister for Foreign Affairs, in conversation, that rumours continued to reach me from different parts of the country, ascribing to the Porte an intention of putting in force the new specific Tariff in the month of March next.

Tewfik Pasha declared that no such steps would be taken without the concurrence of the Powers.

I have, however, since addressed to his Excellency the note of which I have the honour to inclose a copy, recording our conversation on this point, and asking whether I had correctly stated his Excellency's assurances.

No reply has reached me as yet, but I have informed some of my colleagues of the language held by the Foreign Minister. The Russian Ambassador informs me that he has received instructions from his Government to strenuously resist any unauthorized application of the new duties, and that he proposes addressing a note to the Sublime Porte to this effect.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 14.

Sir N. O'Conor to Tewfik Pasha.

M. le Ministre, *Constantinople, January* 29, 1902.

IN order to prevent the possibility of misunderstandings hereafter, I think it advisable to put on record the assurances which your Excellency was good enough to give me on Thursday afternoon, the 16th instant, in regard to the proposed new Commercial Tariff.

I drew your Excellency's attention to reports I had received from several British Consulates, as well as to paragraphs in the Turkish press, indicating that the Imperial Government intended to enforce the new specific Tariff on the 1st (14th) March next. At the same time, I asked your Excellency whether there was any foundation for these reports, and I pointed out that I could not consent to any alterations in the existing Tariff without the previous consent of His Majesty's Government.

In reply, your Excellency stated that the matter had been under consideration, but that you were able to assure me that the new Tariff would not be applied without the consent of the foreign Embassies, and you authorized me to inform my Government to this effect.

I shall be much obliged if your Excellency will let me know, in reply to this note, whether I have correctly understood your assurances and language on this point.

I have, &c.
(Signed) N. R. O'CONOR.

---

[*] Copy to Board of Trade, February 10, 1902.

No. 15.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 21. Commercial.)
Sir, *Foreign Office, February* 10, 1902.

I HAVE received your Excellency's despatch No. 13, Commercial, of the 29th ultimo respecting the reported intention of the Turkish Government to apply the new specific Tariff, and I approve your action in the matter and the note addressed by you to Tewfik Pasha.

I am, &c.
(Signed) LANSDOWNE.

No. 16.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 22. Commercial.)
Sir, *Foreign Office, February* 11, 1902.

I HAVE received your Excellency's despatch No. 9, Commercial, of the 26th ultimo respecting the resumption of the Commercial negotiations with Turkey, and I approve your action in the matter.

I am, &c.
(Signed) LANSDOWNE.

No. 17.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received February* 10.)

(No. 19. Commercial.)
My Lord, *Constantinople, February* 7, 1902.

I HAVE the honour to acknowledge with thanks the sheets containing the corrected text of certain Articles of the draft Commercial Treaty with Turkey, which accompanied your Lordship's Commercial despatch No. 15 of the 28th ultimo.

I have ventured to complete the text which will be laid before the Turkish Delegates by inserting, at the end of the Final Protocol, the paragraph of which a copy is inclosed, stipulating that British commerce shall equally enjoy any compensation which may be secured by any other foreign Power for losses resulting from the application of the new monopolies sanctioned in Article XX.

This provision appeared to me advisable in view of the fact, which I have learned on the best authority, that France has arrived at an understanding with the Porte to the effect that, if Turkey should make a monopoly of any article of commerce in which French trade is interested, compensation shall be given to France to the extent to which the article is at present imported from that country.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 17.

Paragraph to be inserted at end of Final Protocol.

EN ce qui concerne l'Article XX il est entendu que, si une autre Puissance étrangère recevrait de la Sublime Porte un dédommagement quelconque pour les pertes qui pourraient résulter pour son commerce de l'application des nouveaux monopoles, le même principe de dédommagement sera concédé immédiatement au commerce Britannique.

No. 18.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received March* 3.)

(No. 23. Commercial.)

My Lord, *Constantinople, February* 18, 1902.

I ASKED the Minister for Foreign Affairs yesterday whether he proposed answering my note of the 13th ultimo, recording the assurance given me by his Excellency that the new specific Tariff should not be put in force without a previous understanding with His Majesty's Embassy.

His Excellency replied that it seemed unnecessary to do so, as he was able to assure me that the Imperial Iradé ordering the specific Tariff to be enforced on the 1st (14th) March had been withdrawn, and instructions in this sense given to the Director-General of Customs.

I said that it would have been more regular to reply to my note, but that I accepted the verbal assurance, which he was now repeating for the second time. At the same time I felt bound to inform his Excellency categorically that His Majesty's Government would not consent to any increase of Tariff being imposed without their previous approval.

I have, &c.
(Signed) N. R. O'CONOR.

No. 19.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received March* 3.)

(No. 24. Commercial.)

My Lord, *Constantinople, February* 20, 1902.

I HAVE the honour to transmit copy of a letter, and its inclosures, which I have received from Lord Cromer in reply to my letter on the subject of the new draft Treaty with Turkey, copy of which was forwarded to your Lordship in my despatch No. 8 of the 20th January.

It is pointed out by the Director-General of Customs in Egypt that Article VII, which maintains the *status quo* in respect of the trade between Turkey and Egypt, requires a modification to meet the wishes of the Egyptian Government, and Mr. Chitty proposes an amended text which I shall venture to substitute for the existing text of Article VII, unless otherwise instructed by your Lordship. For easy reference, the original and amended texts are inclosed in parallel columns, the alterations being underlined in red ink.†

Under the existing "raftieh" system, as explained by Mr. Chitty, goods imported into Egypt from abroad, and re-exported to Turkey, pay the 8 per cent. *ad valorem* duty in Egypt, being thus cleared of any further payments to the Turkish Custom-house on arrival in Turkey, except in the case of the valuation of the goods having risen in the interval between their arrival in Egypt and their arrival in Turkey. The amount paid as duty in Egypt is credited to Turkey.

The same process is gone through in the case of foreign goods imported into Turkey for re-exportation into Egypt, and the account between the two Custom-houses is periodically balanced.

This system would seem certainly to presuppose an equality of the rate of import duty in both countries such as exists at present. It is clear that if the Turkish Tariff is raised and the Egyptian Tariff remains as it is, the 45,000*l.* worth of foreign goods now passing annually through Turkey on their way to Egypt, and paying duty in Turkey, would be compelled, if the "raftieh" system be maintained, to take another route, so as to reach Egypt directly, thus avoiding the Turkish Custom-house and profiting by the lower Egyptian Tariff.

In other words, the "raftieh" system would be unworkable under inequality of Tariffs. Mr. Chitty proposes to replace it by an arrangement under which the duties levied on foreign goods in Egypt would be refunded on re-exportation into Turkey, and

* Copy to Board of Trade, March 14, 1902. † In italics.

vice versâ, the goods finally paying the duty fixed by the country in which they will be consumed.

This arrangement will not affect the much larger trade between Egypt and Turkey in native products, which will continue, as before, to pay duty in the country of consumption according to the rates imposed on the most-favoured-foreign nation.

Mr. Chitty also refers to Article XX, and inquires whether the engagement made by Turkey to levy no export duty in future on tobacco is to be understood as abolishing the export duty of 3 piastres per kilog. which is collected at present by the Régie on Turkish tobacco coming to Egypt. This Article, however, is merely a confirmation of the existing practice in respect of the export of tobacco, as laid down in Article XIV of the Treaty of 1861. It refers only to the export of tobacco to countries outside the Turkish Empire, and even some of these countries are excluded from its operation, as will be seen from the following Table, showing the export duty levied by the Régie on leaf tobacco destined for consumption in neighbouring countries and islands :—

	Piastres.
On leaf tobacco exported to :—	
Egypt	3·00 per kilog.
Tunis	7·50 "
Samos	7·50 "
Montenegro	7·50 "
Crete	4·68 "
Subject to a reduction of 40 per cent.	
Roumania	3·125 "
Servia	3·125 "
Bulgaria	3·90 "
Eastern Roumelia	3·90 "
Persia	7·50 "
And in some tobaccos	12 per cent. *ad val.*

In these circumstances, I do not consider that any alteration of Article XX is necessary.

I am sending a copy of this despatch to Lord Cromer.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 19.

The Earl of Cromer to Sir N. O'Conor.

Cairo, February 3, 1902.

Sir,

WITH reference to your Excellency's despatch of the 20th ultimo, I have the honour to inclose herewith copy of a Memorandum, together with its inclosure, which has been drawn up by Mr. Chitty, Director-General of Customs in Egypt.

This Memorandum may be taken as embodying the views of the Egyptian Government on the proposals of the draft Commercial Treaty between Great Britain and Turkey, as far as they affect Egypt.

Your Excellency will observe that Mr. Chitty proposes a modification of Article VII, section 2, of the draft Treaty, and is anxious that the intention of Article XX, section 4, should be explained in its application to Turkish tobacco exported to Egypt.

I have, &c.
(Signed) CROMER.

Inclosure 2 in No. 19.

Memorandum by Director-General of Egyptian Customs.

THE only part of the proposed Commercial Treaty between Great Britain and Turkey which concerns Egypt is Article VII, paragraph 2. The goods therein dealt with are, I understand, those which, after having paid import duty in Turkey, are re-exported to Egypt and *vice versâ*.

The arrangement come to in 1890 between the Egyptian and Turkish Administrations is briefly the following:—

1. Native products exported from Egypt to Turkey, and *vice versâ*, pay import duty at the port of arrival on the same basis as foreign goods of the most-favoured nation.

2. Foreign goods, re-exported, after having paid import duty, from Egypt to Turkey and *vice versâ*, are given a "raftieh" at the time of re-exportation, containing an exact description of the goods, and indicating the value on which duty has been collected.

The valuation is revised at the port of arrival, and if it is found to be equivalent to, or more than the price of the day, the goods are passed free of duty. If, on the other hand, the price of the day happens to be higher than the value indicated on the "raftieh," the Custom-house collects duty on the difference.

The Egyptian and Turkish Administrations each keep a "raftieh" account which is credited with 8 per cent. of the value of "raftiehs" received, and debited with the duty on "raftiehs" sent. A settlement is supposed to take place every three months, but, as the balance happens to be in favour of Egypt, no adjustment has been made for some years. When the new Commercial Treaties come into operation, Egyptian products will, no doubt, have to pay in Turkey according to the Tariffs of those Treaties. This eventuality appears to have been foreseen in the 1890 arrangement, of which I attach a copy (*Vide* Article III).

The yearly value of exports of Egyptian products to Turkey is about 300,000*l.*, and that of Turkish products imported into Egypt 1,500,000*l.*

As regards foreign goods a change in the existing arrangement will be necessary. The prices of the proposed Turkish Tariff are on the whole higher than the Egyptian rates, and the variation for some articles is considerable. I attach a table comparing some of our periodical valuation Tariffs with the prices of the Treaty Tariff.*

Certain categories of foreign goods, therefore, which are re-exported from Turkey will be placed at a disadvantage in Egypt, and this may hamper trade; moreover, with two different systems in operation, it will be extremely difficult, if not impossible, to adjust the "raftieh" account between Egypt and Turkey.

In my opinion, it would be convenient for all concerned to abolish the "raftieh" system for foreign goods, and to grant instead a refund on these goods when they are re-exported. Paragraph 2 of Article VII of the draft might then be worded as follows:—

"Quant aux marchandises, produits du sol ou de l'industrie du Royaume-Uni qui, après paiement des droits d'importation en Turquie, seront expédiées en Égypte, elles jouiront du remboursement de la totalité de ces droits en Turquie après justification de leur introduction en Égypte.

"Il sera de même en Égypte pour les marchandises qui, ayant acquitté les droits d'entrée en Égypte, viendraient à être expédiées en Turquie."

The approximate annual value of foreign goods which pass between Egypt and Turkey with "raftiehs" is:—

	£
Imported into Egypt from Turkey	45,000
Exported from Egypt into Turkey	28,000

I notice that under Article XX, paragraph 4, of the draft Treaty, no export duty can be charged on tobacco. If it is intended thereby to abolish the export duty (3 Turkish piastres per kilog.) which is collected at present by the Régie on Turkish tobacco coming to Egypt, the effect will be most beneficial so far as Egyptian interests are concerned. If, on the other hand, the intention is to leave this duty as it is, it appears to me doubtful if the stipulation of Article VII concerning the maintenance of the "régime actuel" with Egypt can be taken to apply to Turkish as well as to British products. It would be well, therefore, in Article XX to explain what the intention is with regard to Turkish tobacco sent to Egypt, more especially if Article VII is modified in the sense I have proposed.

(Signed) A. CHITTY.

Alexandria, January 31, 1902.

* Not sent.

Inclosure 3 in No. 19.

Article VII of New Draft Commercial Treaty between Turkey and Egypt.

Old Text.	*Amended Text.*
AUCUN droit de transit ne sera prélevé sur les marchandises Britanniques passant par la Turquie, ni sur les marchandises Ottomanes passant par le Royaume-Uni.	AUCUN droit de transit ne sera prélevé sur les marchandises Britanniques passant par la Turquie, ni sur les marchandises Ottomanes passant par le Royaume-Uni.
Est aussi assimilée au régime du transit toute marchandise passant par une partie quelconque de la Turquie et destinée à un endroit de l'Empire Ottoman où elle ne pourrait être introduite sans payer un droit d'entrée.	Est aussi assimilée au régime du transit toute marchandise passant par une partie quelconque de la Turquie et destinée à un endroit de l'Empire Ottoman où elle ne pourrait être introduite sans payer un droit d'entrée.
Quant aux marchandises à destination de l'Égypte ou venant de l'Égypte, le régime actuel est maintenu. Il est donc entendu qu'une fois que ces marchandises auront acquitté le droit d'entrée, elles ne seront en aucun cas astreintes à un second paiement de droits.	*Quant aux marchandises, produits du sol ou de l'industrie du Royaume-Uni qui, après paiement des droits d'importation en Turquie, seront expédiées en Égypte, elles jouiront du remboursement de la totalité de ces droits en Turquie après justification de leur introduction en Égypte.* *Il sera de même en Égypte pour les marchandises qui, ayant acquitté les droits d'entrée en Égypte, viendraient à être expédiées en Turquie.*

No. 20.

*India Office to Foreign Office.**—(*Received March* 3.)

Sir, *India Office, March* 1, 1902.

I AM directed by the Secretary of State for India in Council to forward, for the consideration of the Marquess of Lansdowne, a copy of a letter from the Government of India offering some observations in regard to certain Articles of the revised draft of the proposed Commercial Treaty with Turkey now under negotiation.

Lord George Hamilton agrees generally with the suggestions of the Government of India, and trusts that it is not too late for them to be adopted if approved by the Marquess of Lansdowne.

With reference to the remarks of the Government of India on Article III of the draft, Lord George Hamilton will be glad to learn whether there could be included in the Treaty some provision to guard against increase or differentiation of Turkish export duties to the disadvantage of British subjects.

I am desired to draw attention to the observation and request of the Government of India in paragraph 8 of their letter, regarding the "Règlements Douaniers," which according to paragraph 6 of the "Protocole Final," are to be drawn up by the Ottoman Customs Administration after the signature of the Treaty, and are to be communicated to His Majesty's Ambassador, before issue, with a view to the correction of anything in them that may be contrary to the Treaty. The same conditions are to apply to subsequent modifications by the Turkish authorities.

As it appears to be impracticable† to insist on the final settlement of the terms of the Règlements before the conclusion of the Treaty, the British Delegates will, no doubt, be instructed that, as far as may be practicable, security should be taken in the terms of the Treaty itself against the possibility of the inclusion of vexatious provisions in the Règlements.

I am, &c.
(Signed) HORACE WALPOLE.

* Copy to Constantinople, No. 36, Commercial, March 13, 1902.
† See Confidential Paper 7767, final paragraph of Inclosure in No. 20.

Inclosure in No. 20.

Government of India to Lord G. Hamilton.

My Lord, *Calcutta, February* 6, 1902.

WE have the honour to refer to the correspondence ending with your Lordship's despatch, dated the 18th October, 1901, on the subject of the proposed Commercial Treaty with Turkey. We have received from the India Office a copy of the revised draft of the Treaty, which was sent to Sir N. O'Conor with Lord Lansdowne's letter No. 117, Commercial, dated the 12th November, 1901, as the basis on which the British Delegates were to be instructed to negotiate for a new Treaty of Commerce; and we desire to offer the following observations in regard to certain Articles in the draft:—

2.—Article II. We are specially interested in the rights of purchase to be enjoyed by British subjects in Turkey in connection with the purchase of mules, and we think it would be desirable to safeguard those rights by inserting after the word "acheter" in the first line of this Article the words "librement et sous les mêmes conditions que les sujets Ottomans."

3. Article III.—This Article insures the most-favoured-nation treatment for products of the United Kingdom and for goods imported into Turkey by British subjects from other countries enjoying similar treatment, but it makes no reference to exports. If export duties are not to be abolished, we think that the Article might with advantage include similar conditions in regard to exportation from Turkey.

4. Article VI.—The second paragraph of this Article authorizes the Turkish Customs authorities to require proof from the exporter that all internal dues or taxes have been paid on the merchandize prior to export. It appears to us very important that the nature of the proof that may be so required should be clearly defined, and we think that a Regulation on this subject might advantageously be included in the "Protocole Final" or in the "Règlement Douanier," preferably in the former.

5. Article XV.—In order to prevent extravagant demands for expenses incurred in connection with the salvage of shipwrecks and to admit of the discussion of such demands and their reduction to reasonable amounts, we think it would be well to authorize the giving of security in such cases in lieu of immediate payment; and we would suggest that a provision to this effect should be inserted after the word "rembourser" in the 7th line of this Article.

6. Article XIX.—In the first and last paragraphs of this Article we think it might be well to substitute the words "voie de terre" for the words "chemin de fer."

7. Article XXVI.—We are apprehensive that the provision in the first part of this Article that all customs disputes "seront vidées par voie administrative," will leave a wide door open for vexatious decisions by the Executive; and the stipulation in the second paragraph does not appear to provide a sufficient remedy. If a question is once decided in the manner contemplated, we do not understand how it can be brought up again "en dernier ressort."

8. Finally, we should be glad to be furnished with a copy of the "Règlement Douanier" referred to in the "Protocole Final," as we regard the Règlement as quite as important as the Treaty itself.

9. Although the Treaty will not be immediately applicable to India, the subsequent adherence of this country is contemplated and provided for in Article XXVII of the draft, and we have therefore thought it advisable to offer our remarks on the text. We trust that your Lordship will bring the matters set forth above to the notice of His Majesty's Foreign Office.

We have, &c.
(Signed) CURZON.
C. M. RIVAZ.
T. RALEIGH.
E. FG. LAW.
E. R. ELLES.
A. T. ARUNDEL.

No. 21.

*Messrs. Paul Hirsch and Josephy, Junior, to the Marquess of Lansdowne.**—
(Received March 4.)

My Lord, 35, *Cooksidge Street, Leeds, March* 3, 1902.

WITH reference to the negotiations for a new Commercial Treaty proceeding between this country and Turkey, we should like to draw the attention of His Majesty's Government to the waste of time caused to commercial travellors in the textile trade by the way in which an unjustifiable and arbitrary duty is levied in Turkey on the small patterns which they carry, and which in all other countries we know of are admitted free, as being of no intrinsic value, and passed along with the traveller's personal belongings. In Turkey not only has duty to be paid on them for no reason whatever, but they have also to go through the custom-house of each town called at, both on arrival and departure, giving rise to a great many formalities (töskereh, &c.), and consequential expense and loss of time. In fact, at least a couple of days has to be wasted in each town with this sort of thing; connections (by steamer) between the different localities being few and far between, it may easily cause the loss of a week.

Trusting the Delegates will succeed in having such an objectionable arrangement done away with (it was only started in comparatively recent times), we are, &c.
(Signed) PAUL HIRSCH AND JOSEPHY, JUNIOR.

No. 22.

Foreign Office to Messrs. Paul Hirsch and Josephy, Junior.

Gentlemen, *Foreign Office, March* 11, 1902.

I AM directed by the Marquess of Lansdowne to inform you that a copy of your letter of the 3rd instant, respecting the commercial negotiations with Turkey, has been sent to His Majesty's Ambassador at Constantinople, for his Excellency's information.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 23.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 35. Commercial.)
Sir, *Foreign Office, March* 13, 1902.

I HAVE received your Excellency's despatch No. 23, Commercial, of the 18th ultimo, respecting the application of the new Turkish specific Tariff, and I approve your action in the matter.

I am, &c.
(Signed) LANSDOWNE.

No. 24.

The Marquess of Lansdowne to Sir N. O'Conor.

(No. 40. Commercial.)
Sir, *Foreign Office, March* 20, 1902.

I HAVE received your Excellency's despatch No. 19, Commercial, of the 7th ultimo, respecting the commercial negotiations with Turkey, and I approve of the insertion at the end of the Final Protocol of the paragraph of which a copy was inclosed in your despatch.

I am, &c.
(Signed) LANSDOWNE.

---

* Copy to Constantinople No. 32, Commercial, March 11, 1902.

No. 25.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received March 31.)

(No. 42. Commercial.)

My Lord, *Constantinople, March 21, 1902.*

THE letter from Messrs. Paul Hirsch and Josephy, inclosed in your Lordship's Commercial despatch No. 32 of the 11th instant, points out the inconvenience caused to commercial travellers in Turkey by the duty which is levied on small patterns, and expresses a hope that it may be remedied in the course of the Treaty negotiations.

On this point, I venture to refer your Lordship to the beginning of Article XII in the draft Treaty, which exempts small patterns and models from duty, and to Article XIII, which provides for the free admission of dutiable articles used as patterns, subject to a guarantee being given for their re-exportation.

I have, &c.

(Signed) N. R. O'CONOR.

No. 26.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received March 31.)*

(No. 44. Commercial.)

My Lord, *Constantinople, March 23, 1902.*

WITH reference to my despatch No. 4, Commercial, of the 14th of January last, I have the honour to transmit, with its inclosures, copy of a further letter which I have received from His Majesty's High Commissioner on the subject of the trade between Cyprus and Turkey and the Tariff treatment to which it should be subjected in the event of the new Turkish specific Tariff coming into force.

I had remarked in my letter to the High Commissioner of the 14th January that there appeared to be three alternatives to choose from. Either Cyprus must be regarded in Turkey as a foreign country, and her produce subjected to the new specific Tariff, a course which appeared to be excluded by Sir W. Haynes Smith's declaration that it would destroy the existing trade with Turkey; or Cyprus must be regarded as forming a portion of the Turkish Empire, in which case her produce would naturally be treated like any other Turkish produce proceeding from one Turkish port to another, *i.e.* by subjecting it to the 2 per cent. tax for military purposes which has replaced the old 8 per cent. internal duties; or again, Cyprus goods might continue, by special agreement, to pay the existing 8 per cent. duties on importation into Turkey. The objection to the second course was that Turkey would probably require Cyprus to give reciprocal treatment to Turkish produce by reducing her import duties from 8 per cent. to 2 per cent. The third course appeared to me to be open to the possible objection that foreign Powers would regard the 8 per cent. duty on Cyprus produce as a duty imposed upon the produce of a foreign country, and would claim similar treatment under their most-favoured-nation clauses.

Sir W. Haynes-Smith favours, it will be seen, the third course, and he proposes a Convention, to be signed with Turkey, which, by reasserting the nature of the connection between Turkey and Cyprus, would preclude foreign Powers from regarding Cyprus as being on the footing of a foreign country for Turkish Tariff purposes, and thus remove the objection which had occurred to me.

The proposed Convention is to the effect that, inasmuch as the amount of the Cyprus tribute was based upon the revenues of Cyprus which were dependent in part on the trade, under a reciprocal 5 per cent. Tariff, as it existed between Turkey and Cyprus, it is agreed that the 8 per cent. duty levied in Turkey on Cyprus produce shall not be altered as long as the tribute is maintained at its present figure.

On this proposal I have only the following observations to offer: If the 5 per cent. duty is made to depend on the maintenance of the tribute at its present figure, it would seem to be open to Turkey to raise the duty if at any time by conversion of the 1855 Loan or otherwise the amount of the tribute should be reduced.

I venture to suggest whether, under the circumstances, the best course would not be to instruct the British Delegates to lay before the Ottoman Delegates in the impending negotiation the particulars concerning the trade between Cyprus and

* Copy to Colonial Office, April 5, 1902.

Turkey as set forth in Sir W. Haynes Smith's letters, and to consult with them as to the best means of providing for a continuance of the present 8 per cent. duties.

It cannot be in the interest of Turkey to extinguish her trade with Cyprus, and I hope, therefore, that the Ottoman Delegates may see the reasonableness of the High Commissioner's desire to maintain the *status quo*.

If this can be done without signing a special Convention it would, I think, be an advantage.

In view of the correspondence with the High Commissioner, I think it is clear that Cyprus, as forming part of Turkey for Tariff purposes, should not be mentioned in the new Treaty with Turkey.

If your Lordship concurs, I will strike out Cyprus from the Colonial Article and instruct the British Delegates to submit this Article with the others already approved.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure 1 in No. 26.

High Commissioner Sir W. Smith to Sir N. O'Conor.

Sir, *Government House, Nicosia, March 6, 1902.*

I HAVE the honour to acknowledge the receipt of your Excellency's letter of the 14th January last on the subject of my proposal that an Agreement should be arranged with Turkey to prevent injury to Cyprus from the proposed new Commercial Treaty with Turkey while the stipulated sum of 92,799*l.* 11*s.* 3*d.* continues to be paid to Turkey as the surplus revenues of Cyprus.

2. I fully admit the difficulties which must inevitably arise if Cyprus is regarded by Turkey for Tariff purposes, either (1) as a foreign country, or (2) as forming part of the Turkish dominions; but I would ask your Excellency's consideration whether the safest grounds on which to proceed are not the actual facts that Cyprus is held of Turkey under special Conventions—that its alleged surplus revenues are paid to Turkey—and that the amount stipulated to be paid as such surplus revenues was agreed to on a basis which cannot be altered by one of the Contracting Parties to the prejudice of the revenues of Cyprus.

3. It might be possible to suggest a basis for a special arrangement for the trade with the adjacent coasts if the Conventions as to the tribute were to be reopened, or its amount were to be reduced; but any further concession to the Turkish trade would immediately result in a loss to the Cyprus revenues, as is shown by the Receiver-General, of whose Report a copy is annexed. Any reduction in the revenue must be met by a reduction in the expenditure of Cyprus, or in increased taxation, or in an increase of the grant-in-aid which is paid by the English taxpayer.

4. I would therefore venture to urge that Cyprus should be treated as an exceptional case, which is already governed by the existing Conventions, and that while these Conventions remain in force the basis on which they were founded ought not to be altered by one of the Parties to the prejudice of the other. I inclose a draft Agreement which embodies these views for your Excellency's consideration, and I am also submitting the draft for the consideration of His Majesty's Principal Secretary of State for the Colonies in the despatch of which I inclose a copy.

I have, &c.

(Signed) W. F. HAYNES SMITH.

Inclosure 2 in No. 26.

Memorandum by Chief Collector of Customs.

Honourable the Chief Secretary,

THERE does not appear to be any specific article in the Customs Tariff that can be reduced in favour of Turkey; and in the year 1900 purely Turkish goods to the value of 8,529*l.* were imported into Cyprus duty free (*vide* No. 1 Extract, attached.)

2. These duties are paid by the consumer of the goods, and are in no way imposed to prohibit or prejudice the introduction into the island of Turkish goods or produce.

3. The balance of the year's trading between Turkey and Cyprus is in favour of Turkey, as the former country finds a market in Cyprus for about 57,000*l.* worth of her produce, while Cyprus returns to Turkey goods to the value of 40,000*l.* only (excluding foreign goods and specie); in which case Turkey would obtain the benefit from a mutual remission of import dues to the extent of her larger exports to Cyprus (*vide* Returns (A) and (B) attached.)

Owing to the proximity of Turkey, Cyprus exports to that country live-stock (including a considerable number of small donkeys), and in return receives from Turkey a large quantity of provisions. Spirit, owing to its cheapness of production and its low freightage, forms a large item of the goods Cyprus sends to Turkey in 1900; of a total of 116,917 gallons, 101,889 gallons were taken by Turkey. The present business is carried on chiefly by small traders, and the vessels employed in taking and returning cargoes are suitable for that purpose only, a more distant market necessitating large steamers and, consequently, a heavier freightage. It will be seen that the goods and articles exported to Turkey by Cyprus are such that command low prices. The raisins are the small black kind, which fetch about 1 gold piastre per oke, and the proposed Tariff would in this case be equal approximately to four times the actual value of the fruit. The donkeys are small and young, and consequently sold at very low prices; but the specific Tariff system will place a duty on each animal to increase the price some 50 per cent. The difficulty of extending special privileges to each others goods and merchandize is admitted. The conditions of trading will be altered from those under which the tribute was fixed, and the position of Cyprus will be that it pays a bounty on its trade to a country who closes to it one of the most suitable and profitable markets for its goods and commerce.

The result of such prohibitive Tariff as Turkey proposes may be, as foreshadowed, an increase in the smuggling of Cyprus goods, salt, arms and ammunition, into Turkey; and in face of the loss anticipated from it, the decrease in legitimate trading, Cyprus could scarcely exercise repressive measures against such traffic at her own expense, while the action by Cyprus to prevent the importation of timber surreptitiously obtained from the Caramanian coast and elsewhere in Turkish territory would be weakened by the diversion of her commerce into other channels.

It will be noticed that horses and live-stock from Turkey and elsewhere are imported free of duty.

In consideration of these circumstances, it appears impracticable to remit any of our existing duties in favour of Turkey with a view of establishing a separate Convention with that country.

If, however, it is considered desirable that a separate Convention should be negotiated with Turkey, I submit an extract, marked No. 2, showing the principle produce in which we mutually trade. I would point out that the result of any such Convention will necessarily involve the loss of revenue on the part of Cyprus.

(Signed) J. C. GORE.
Receiver-General and Chief Collector of Customs.

February 18, 1902.

Extract No. 1.

SHOWING goods, purely Turkish, imported into Cyprus duty free in the year 1900.

	£
Vetches	4,360
Wheat	65
Wheat, meal, or flour	3,156
Fodder (cotton seed)	31
Lime	54
Pitch and tar	224
Books	304
Charcoal	44
Stationery	188
Tombstones	25
Uniform	16
Casks	30
Government stores	29
Total	8,529

Similar treatment is not accorded to any description of Cyprus goods by Turkey.

Extract No. 2.

PRINCIPAL items of Turkish produce imported by us, as well as the principal items of Cyprus produce exported to Turkey.

Imports from Turkey.	£	Exports to Turkey.	£
Beans and peas	688	Donkeys	3,194
Butter	5,736	Cheese	2,678
Olive oil	6,903	Barley	3,883
Soap	1,375	Raisins	3,766
Earthenware	538	Spirits	5,275
Olives	310	Wine	7,143
Sesame	1,545	Silk cocoons	1,000
Bee's wax and waste of	1,347	Onions	955
Goods already free	8,529	Beans and peas	661
Leather, sole	1,840	Wheat	993
,, unspecified	1,635	Lemons and oranges	624
		Potatoes	376
		Aniseed	744
		Earthenware	607
		Sumac	790
		Flax	467
Total	33,505	Total	33,216

Enclosure 3 in No. 26.

Draft Agreement.

DRAFT of an Agreement between His Most Excellent Majesty Edward VII, by the grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, King, Defender of the Faith, Emperor of India, and His Imperial Majesty Abdul-Hamid the Hnd, Sultan of Turkey, relative to the duties of customs to be charged upon goods of Cyprus origin upon their importation into the Turkish Empire.

Whereas by a Convention concluded the 4th day of June, 1878, between Her late Britannic Majesty and His Imperial Majesty the Sultan of Turkey, the Island of Cyprus was assigned to be occupied and administered by England, and by an Annex to the said Convention made on the 1st day of July, 1878, it was agreed that England should pay to the Sublime Porte whatever was then the excess of revenue over expenditure, such excess to be calculated upon and determined by the average of the five preceding years, therein stated to be 22,936 purses, to be duly verified thereafter;

And whereas, by mutual agreement between the Government of Great Britain and the Government of the Sublime Porte, the total annual amount payable by Great Britain to the Sublime Porte, as aforesaid, was calculated and determined to be the sum of 92,799*l.* 11*s.* 3*d.*, including in the said sum the fixed annual payment of 5,000*l.*, which, by virtue of an Agreement dated the 3rd February, 1879, was agreed to be paid by Great Britain to Turkey in commutation of certain rights of the Sublime Porte, which were reserved under Article IV of the Annex to the said Convention of the 1st July, 1878, with regard to lands and other property in Cyprus belonging to the Ottoman Crown and State;

And whereas the amount of the annual sum so determined, as aforesaid, was, in pursuance of the said Agreement, based on the amount of the revenues of Cyprus for the five years immediately preceding the first of the Conventions aforesaid;

And whereas the said revenues were dependent in part upon the trade as it then existed between Cyprus and the dominions of the Sublime Porte;

And whereas the duties paid on goods of Cyprus origin sent or brought into other parts of the dominions of the Sublime Porte when the amount of the said annual sum of 92,799*l.* 11*s.* 3*d.* was so determined, as aforesaid, was at the rate of 8 per cent.

ad valorem, and the imposition of any higher duty upon the importation of goods of Cyprus origin into the dominions of the His Imperial Majesty the Sultan than the 8 per cent. *ad valorem* duty which was so in force, as aforesaid, at the time when the amount of the said annual payment was determined, would prejudice such trade and diminish the revenue of the island;

And whereas it is expedient that the basis of the said Conventions should not be altered while the said annual sum of 92,799*l.* 11*s.* 3*d.* determined on the basis aforesaid continues to be paid:

Now, therefore, the Government of His Majesty the King of the United Kingdom and the Government of His Imperial Majesty the Sultan of Turkey being desirous of maintaining the basis upon which the said annual payment of 92,799*l.* 11*s.* 3*d.* was agreed to be paid, have agreed:—

1. That while the said Conventions remain in force and unaltered, and while the said annual sum of 92,799*l.* 11*s.* 3*d.* as such surplus revenue continues to be paid thereunder, and notwithstanding any revision or alteration which may be made with regard to the duties leviable on the importation of goods into the Ottoman Empire from foreign countries, or upon the transport of goods from one portion to another of the Ottoman Empire, no greater or other duties shall be levied upon the importation of goods of Cyprus origin into the Ottoman Empire than the duties of 8 per cent. *ad valorem* leviable at the date when the said amount of 92,799*l.* 11*s.* 3*d.* was so ascertained and determined in pursuance of the said Conventions.

2. And for the better prevention of the introduction of goods under this Agreement not of Cyprus origin, it is hereby agreed between the Contracting Parties that no goods shall be deemed of Cyprus origin when introduced into the Ottoman dominions unless they are accompanied by a certificate purporting to be under the hand and seal of the Principal Officer of Customs of the port in Cyprus from which such goods may be shipped, certifying that the said goods are wholly of Cyprus origin.

This Agreement shall come into force on

Inclosure 4 in No. 26.

High Commissioner Sir W. Smith to Mr. Chamberlain.

Government House, Nicosia, March 6, 1902.

Sir,

I HAVE the honour to acknowledge the receipt of your despatch of the 5th January last, on the subject of the proposal to seek a separate Convention with Turkey for preventing injury from the proposed new Commercial Treaty to the island's trade with the Ottoman dominions, while the present amount of the tribute continues to be paid to Turkey.

2. I annex a copy of a letter from His Majesty's Ambassador at Constantinople in which the difficulties are pointed out which would arise in concluding a separate Convention if Cyprus is regarded by Turkey for Tariff purposes either as a foreign country or as forming part of the Turkish dominions. These difficulties are without doubt embarrassing; and, I believe, the only safe grounds on which the Agreement can be based are the actual facts, that is to say, that Cyprus stands in an exceptional position as regards the Government of the Sublime Porte, and that the Turkish Government while they receive the amount of the alleged surplus revenue of Cyprus under the Agreements of 1878 and 1879, by which the amount was determined on the state of things as they then existed, ought not in justice by their own act to alter that state of things to the prejudice of Cyprus or to reduce the amount of the Cyprus revenues.

3. The amount of the surplus revenue of Cyprus was determined on the basis of the Cyprus revenues for the five years preceding the year 1878, and those revenues were derived from the trade of the island and from other sources as they existed when the Agreement was made. The Cyprus trade with the Ottoman dominions was then subject to a payment of duties at the rate of 8 per cent. *ad valorem*, and if this trade is destroyed by the proposed increase in these duties, the alleged surplus revenues will be diminished by the act of one of the Contracting Parties. I can submit proposals for a basis for a separate trade Convention with respect to the trade between Cyprus and the Turkish dominions, but they must involve a reduction in the existing revenue;

and if any fresh concession be given to Turkey in respect to Turkish goods imported into Cyprus, the loss to the Cyprus revenue will fall on Cyprus in a reduction of expenditure, or in an increase of taxation, or on the English taxpayer in an increase of the grant-in-aid. I annex a Report from the Receiver-General on this subject, in which he shows that any further concession to Turkey must result in loss to the revenues of Cyprus. The Report also shows that several descriptions of Turkish goods are now admitted free into Cyprus, while no similar treatment is accorded in Turkish dominions to Cyprus goods.

4. The average per head of every woman and child in Cyprus paid by the Island to Turkey is over 5*s.* besides the amount paid by the Imperial Government, and this is in addition to the whole amount of the public expenditure in the island. It seems a strong argument that in equity this burden cannot be increased and the revenues reduced by the act of one of the Contracting Parties to the Conventions agreeing as to the amount to be taken as the amount of the surplus revenue.

5. I have laid these considerations before the Ambassador with the draft of an Agreement founded on the existing Conventions, which would prevent injury to Cyprus, and I annex a copy of my reply.

6. I would also submit, for your consideration, the draft of this Agreement, which appears to state the facts accurately, and to ask only for what is just, namely, that while the 92,799*l.* 11*s.* 3*d.* continues to be paid yearly to Turkey as the surplus revenues of Cyprus those revenues shall not be reduced by the act of the Ottoman Government.

I have, &c.
(Signed) W. F. HAYNES SMITH.

No. 27.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received April 7.)

(No. 46. Commercial.)

My Lord, *Constantinople, March 27, 1902.*

WITH reference to my despatch No. 24, Commercial, of the 20th ultimo, I have the honour to transmit copy of a further letter and its inclosures, which I have received from Lord Cromer on the subject of Articles VII and XX of the draft Commercial Treaty with Turkey.

I also inclose copy of my reply, containing observations on the remarks made by the Director-General of the Egyptian Customs on the export tax on Turkish tobacco destined for Egypt.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure 1 in No. 27.

The Earl of Cromer to Sir N. O'Conor.

Sir, *Cairo, March 6, 1902.*

I HAVE the honour to acknowledge the receipt of your Excellency's despatch of the 20th ultimo, forwarding copy of Article VII of the draft Treaty with Turkey amended in accordance with the suggestions of the Director-General of the Egyptian Customs.

I inclose copy of a Memorandum prepared by Mr. Chitty, in which he offers certain remarks on the "raftich" duty on tobacco, and its possible bearings.

Mr. Chitty states that when Article VII comes into operation, the Egyptian Customs Administration will take steps to modify the existing arrangement with the Turkish Customs accordingly.

Your Excellency will observe that, in the opinion of Mr. Gorst, it would not appear that any further action on the part of the Egyptian Government is necessary.

I have, &c.
(Signed) CROMER.

Inclosure 2 in No. 27.

Note by Mr. Chitty for the Financial Adviser.

Articles VII and XX of the Draft Commercial Treaty between Great Britain and Turkey.

I HAVE no further remarks to make concerning Article VII. The part underlined of the amended text is the wording proposed in my note of the 31st January last.

When the Article comes into operation the Egyptian Customs Administration will take steps to modify the existing arrangement with the Turkish Customs accordingly.

2. Article XX.—If the position to-day happened to be the same as it was in 1861, the Turkish Government would undoubtedly have the right to levy "mourourié" or "raftieh" duty on tobacco sent to certain countries and islands as at present, in spite of their engagement in the Treaty not to charge export duty.

I venture, however, to point out that, under existing circumstances, it is difficult to regard the "raftieh" duty, so far as some of these countries are concerned, otherwise than as an export duty under another name, and it may be argued that as it has been deemed inexpedient to allow an export duty to be levied on tobacco going from Turkey to certain countries, the same principle should apply in regard to the others.

Moreover, the "raftieh" duty is even more objectionable than a fixed export duty, inasmuch as it can, at any time, be raised by Imperial Iradé.

(Signed) A. CHITTY.

Alexandria, March 5, 1902.

Note by Mr. Gorst.

Herewith Mr. Chitty's observations on the Anglo-Turkish draft Commercial Treaty. It does not seem that any further action is necessary on our part.

(Signed) J. L. GORST.

Inclosure 3 in No. 27.

Sir N. O'Conor to the Earl of Cromer.

Constantinople, March 27, 1902.

My Lord,

IN a Memorandum inclosed in your Lordship's letter of the 6th instant the Director-General of the Egyptian Customs reverts to the subject of the impost which is levied on Turkish tobacco exported to Egypt, and it is argued that, inasmuch as the new draft Anglo-Turkish Treaty exempts tobacco from the payment of duty on exportation to foreign countries, the same exemption should hold good when it is exported to Egypt.

It would be, no doubt, very desirable to get rid of the export tax ("droit de sortie") on Turkish tobacco exported to Egypt. I am afraid, however, that there would be no prospect of inducing the Ottoman Government to adopt such a measure.

The tobacco dues, which now go to the Régie in exchange for an annual payment of £ T. 750,000, were originally levied directly by the Ottoman Government. They consisted of the "mourourié" on permits for the removal of tobacco from one place to another, and of the "sarfiat resme," or "droit de consommation." The former was estimated to produce some £ T. 150,000, and the latter some £ T. 600,000 a-year. The "mourourié" is now replaced by the "droit de sortie" levied on tobacco exports from Turkey proper to countries which still belong nominally, or which formerly belonged to the Turkish Empire, and to Persia. It forms a large slice of the receipts of the Régie, and its abolition in respect of the exports to Egypt would involve new arrangements between the Régie and the Ottoman Public Debt, resulting in a diminution of the latter's receipts, which would have to be made good by the Turkish Government.

The "droit de sortie" is also levied on Turkish tobacco exported to Tunis, Samos, Montenegro, Crete, Roumania, Servia, Bulgaria, and Persia, and its abolition in respect of

Egypt would certainly give rise to a demand for its abolition in respect of the other countries just enumerated. The loss to the Turkish Treasury would be considerable, and I fear that I could not raise the question with any prospect of success.

I am sending a copy of this letter and of your Lordship's letter, to which it is a reply, to the Secretary of State.

I have, &c.

(Signed) N. R. O'CONOR.

No. 28.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received April 7.)

(No. 47. Commercial.)

Constantinople, March 29, 1902.

My Lord,

THE alteration of the text of paragraph 2 of the Monopoly Article (XX) of the draft Commercial Treaty with Turkey, which was sanctioned in your Lordship's despatch No. 22, Commercial, of the 11th ultimo, has made it necessary to recast the text of paragraph 11 of the Final Protocol, and the opportunity has been taken to make it more concise and clear than it was.

The object of paragraph 11 is to make sure that the Regulations governing bonded warehouses under private management shall be those which are contained in the "Règlement Douanier," and also that the storage of coal and coke shall not be affected by Article XI, which deals with the question of bonded warehouses.

I trust that the inclosed revised text, which I have provisionally sanctioned, will meet with your Lordship's approval.

I have, &c.

(Signed) N. R. O'CONOR.

Inclosure in No. 28.

Proposed New Text of Paragraph 11 *of Final Protocol.*

EN ce qui concerne les entrepôts mentionnés dans l'Article XI et dont le Gouvernement Impérial serait dans le cas de céder l'administration à un particulier ou à une Association quelconque, il est entendu que les Règlements concernant ces entrepôts et les droits à percevoir seront conformes aux conditions et aux taux fixés par le "Règlement Douanier," et que les sujets Britanniques jouiront à cet égard du traitement des sujets les plus favorisés tant nationaux qu'étrangers. Il est également entendu que l'entreposage de la houille et du coke reste au dehors des stipulations de l'Article XI et pourra se faire librement comme par le passé.

No. 29.

Sir N. O'Conor to the Marquess of Lansdowne.—(Received April 7.)*

(No. 48. Commercial.)

Constantinople, March 31, 1902.

My Lord,

WITH reference to your Lordship's despatch No. 36, Commercial, of the 13th instant, I have the honour to offer the following observations on the points raised in the India Office letter of the 1st instant respecting the draft Treaty of Commerce with Turkey:—

Article II.—I am inclined to think that the text as it stands affords a sufficient guarantee of the right to purchase goods of whatever kind in Turkey for local sale or export. To assimilate British subjects in this respect to Ottoman subjects would, I consider, be rather a limitation than an extension of the right.

Article III.—It will be seen that the export duties are completely abolished by Article VI.

Article VI.—Proof is required, before export, that articles which are subject to the tithe or other tax have duly paid these charges. The Indian Government suggest that the

* Copy to India Office, April 9, 1902.

nature of the proof that may be so required should be clearly defined. In the case, however, of silks, the process of furnishing these proofs is found to present no difficulty, a paper showing that taxes have been paid being always demanded by the Customs before export. Similar proofs in respect of other articles are not now required, but I have no reason to think that they would be more difficult to furnish than those in respect of silk.

Article XV.—Shipwrecks.

The Indian Government fear that extravagant demands for expenses incurred in connection with the salvage of shipwrecks may be put forward, and they suggest that the receivers of the recovered property should be authorized to give security in such cases instead of making immediate payment to the salvors. I do not, however, see that "remboursera" implies necessarily immediate payment; and I think that it should always be possible for the nearest Consular authority to arrange for security being given, in lieu of immediate payment, when the circumstances seem to require it.

The text of this Article has, I believe, been already approved by His Majesty's Board of Trade, and the Declaration appended to it, now transferred to paragraph 10 of the Final Protocol, has been amended in accordance with the suggestions of the Board.

Article XIX.—This Article has special reference to railways, and I do not think its scope could be enlarged so as to include road traffic without sacrificing clearness. If any British merchandize reaches Turkey by road, most-favoured-nation treatment is fully secured to it under the first and last paragraphs of Article III.

Article XXVI.—This Article has been carefully consided and is an improvement on the practice which was in force under the Treaty of 1861. It will be seen, by reference to paragraph 5 of the Final Protocol that provision is made for vesting in the British Consul the task of naming the British merchants who will appear on the list of experts from whom will be selected two of the Commissioners for judging disputes concerning the nature and value of imported goods. The President of the Commission, it is true, will be the nominee of the Custom-house, but of the remaining Commissioners, two, or one half of the whole, will be merchants representing the interest of the British party to the dispute. Short of a purely International Commission, which it would be impossible to obtain, I consider that the arrangement as it stands offers the best prospect of a fair settlement of disputes.

As regards the "Règlement Douanier," I am in agreement with the view expressed by the Indian Government that it is as important as the Treaty itself. A comparison of the present text of the Articles concerning manifests, declarations, contraband, &c., with their text in the older drafts of the Treaty, will show that they have been recast with a view to bringing them into harmony with the "Règlement Douanier" as revised by Delegates of the Embassies, but not yet accepted by the Porte. I have also intimated repeatedly to the Sublime Porte that our final acceptance of the Treaty will have to depend upon some understanding being reached with regard to the "Règlement Douanier," the Mining Law, and the question of the chemical analysis.

I have, &c.
(Signed) N. R. O'CONOR.

No. 30.

Foreign Office to Board of Trade.

Sir, *Foreign Office, April 9*, 1902.

WITH reference to previous correspondence, I am directed by the Marquess of Lansdowne to transmit to you herewith, to be laid before the Board of Trade, copy of a despatch received from His Majesty's Ambassador at Constantinople,* relating to the draft Commercial Treaty with Turkey, and inclosing a revised text of paragraph 11 of the Final Protocol.

His Lordship proposes, with the Board's concurrence, to approve the text of the paragraph in question, as inclosed in the despatch.

I am, &c.
(Signed) MARTIN GOSSELIN.

---

* No. 28.

No. 31.

Sir N. O'Conor to the Marquess of Lansdowne.—(*Received April 14.*)

(No. 56. Commercial.)

My Lord, *Constantinople, April 9*, 1902.

AS reported in my despatch No. 7, Commercial, of the 20th January, I informed the Sublime Porte on the previous day that I was prepared to resume negotiations for the conclusion of a new Treaty of Commerce. While, however, arrangements were proceeding for the first meeting of the Delegates, a hitch occurred in the settlement of several pending questions, and I thought it desirable to hold back the negotiations until the obstruction ceased. Having at last obtained satisfaction, I intimated to the Foreign Minister about a fortnight ago that I was now ready to set to work on the Treaty. His Excellency has not shown any alacrity in taking the matter up, and I am still waiting for his reply.

I am inclined to believe that, before entering upon an important negotiation of this kind, the Porte desires, if possible, to settle the question of the unification of the debt. Under existing arrangements with the Public Debt any increase in the yield of the customs is assigned to the bondholders, and Turkey would therefore derive no profit from the proposed specific Tariff which forms part of the draft Treaty. Your Lordship is aware that one of the features of M. Rouvier's scheme of unification is to transfer the prospective increase of customs revenue from the Public Debt to the Turkish Treasury. When this has been done, the benefit of a new Treaty to the Turkish finances will be no longer open to question.

Meanwhile Mr. de Bunsen and Mr. Weakley are ready to meet the Ottoman Delegates whenever they are invited to do so.

I have, &c.
(Signed) N. R. O'CONOR.

No. 32.

Board of Trade to Foreign Office.—(*Received April 18.*)

Sir, *Board of Trade, April 17*, 1902.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 9th instant, with inclosures, relating to the draft Commercial Treaty with Turkey; and with reference thereto I am to state that the Board concur with Lord Lansdowne in approving the new text of paragraph 11 of the Final Protocol suggested by Sir N. O'Conor.

I am, however, to add that the word "sujets" appears to have been inadvertently omitted in the copy of the paragraph inclosed in your letter in the phrase "jouiront à cet égard du traitement de la nation la plus favorisée tant nationaux qu'étrangers."

I am, &c.
(Signed) A. E. BATEMAN.

No. 33.

*India Office to Foreign Office.**—(*Received April 24.*)

Sir, *India Office, April 22*, 1902.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 9th April, forwarding the reply of His Majesty's Ambassador at Constantinople to the remarks contained in the Government of India's letter (Finance and Commerce) of the 6th February last on the subject of the draft Commercial Treaty with Turkey, which will be communicated to the Government of India.

* Copy to Constantinople, No. 54, Commercial, April 26, 1902.

In the meantime, I am directed to forward a copy of a further letter, which has now been received from the Government of India, regarding the importance which they attach to the question of Customs procedure and regulations.

I am, &c.
(Signed) A. GODLEY.

Inclosure in No. 33.

Government of India to Lord G. Hamilton.

Calcutta, March 20, 1902.

My Lord,

SINCE writing our despatch of the 6th February last, on the subject of the proposed Commercial Treaty with Turkey, we have received some further papers with a letter from the Secretary, Revenue and Statistics Department, dated the 6th February last, which indicate that the negotiations for the Treaty are about to be resumed. We should be glad if your Lordship would once more impress upon the Foreign Office the importance which we attach to the Customs procedure and regulations to be embodied in the Treaty. We understand that a few years ago the Representatives of Russia, Austria, and Italy drew up their proposals in concert and complete accord with the British Delegate; and we would venture to hope that the other important Powers may still afford their support on this important question.

We have, &c.
(Signed) CURZON.
A. P. PALMER.
T. RALEIGH.
E. FG. LAW.
E. R. ELLES.
A. T. ARUNDEL.
DENZIL IBBETSON.

No. 34.

Colonial Office to Foreign Office.[a]—*(Received April* 24.)

Downing Street, April 23, 1902.

Sir,

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 5th instant, transmitting copy of a despatch from His Majesty's Ambassador at Constantinople on the subject of the tariff treatment of Cyprus goods in Turkey.

I am to request you to inform the Marquess of Lansdowne that Mr. Chamberlain concurs in the suggestion at the end of Sir N. O'Conor's despatch that the best course would be to instruct the British Delegates to lay before the Ottoman Delegates in the impending negotiations the particulars of the trade between Cyprus and Turkey, and to consult with them as to the best means of continuing the present 8 per cent. duties on Cyprus goods.

Mr. Chamberlain agrees with Sir N. O'Conor that it would be best to avoid a special Convention, if possible, and that in any case the continuance of the 8 per cent. duties should not be made to depend on the maintenance of the tribute at its present figure. It would also be desirable to avoid anything which might imply a doubt of the permanence of the British occupation of the island, and to base the negotiations mainly on the facts that in view of the balance of trade between Cyprus and Turkey being in favour of the latter, it would not only be equitable, but to the advantage of Turkey that the trade should not be disturbed by an increase of tariff which would be likely to provoke an agitation for retaliation on the part of Cyprus and possibly to other difficulties, by encouraging smuggling, which the island Government would find it difficult to check, and that the peculiar position of Cyprus appears to allow of a special

[a] Copy to Constantinople, No. 52, Commercial, April 20 1902.

arrangement favourable to both countries to which foreign nations would have no title to object.

Mr. Chamberlain agrees that, under the circumstances, Cyprus should not be mentioned in the new Treaty between this country and Turkey.

I am, &c.
(Signed) H. BERTRAM COX.

No. 35.

The Marquess of Lansdowne to Sir N. O'Conor.

Foreign Office, April 29, 1902.

(No. 56. Commercial.)

Sir,

WITH reference to your despatch No. 47 Commercial of the 29th ultimo, relating to the draft Commercial Treaty with Turkey, I approve the new text of paragraph 11 of the Final Protocol, as suggested by your Excellency.

Your Excellency will observe that the word "sujets" appears to have been inadvertently omitted in the inclosed copy of the paragraph which was forwarded in your above-mentioned despatch. The copy should be returned to me at your earliest convenience.

I am, &c.
(Signed) LANSDOWNE.

No. 36.

Sir N. O'Conor to the Marquess of Lansdowne.—*(Received May* 13.)

Constantinople, May 9, 1902.

(No. 66. Commercial.)

My Lord,

I HAVE the honour to return the inclosure received with your Lordship's Commercial despatch No. 56 of the 29th ultimo, and to state that the word inadvertently omitted is "sujets," as surmised.

I have, &c.
(Signed) N. R. O'CONOR.

No. 37.

Sir N. O'Conor to the Marquess of Lansdowne.—*(Received June* 2.)

Constantinople, May 25, 1902.

(No. 70. Commercial.)

My Lord,

THE Colonial Office having pointed out, in its letter to your Lordship's Department of the 22nd August, 1901, the importance of making sure that, under the terms of a new draft Commercial Treaty with Turkey no obstacle can be placed in the way of consignments of salt passing the Straits for delivery beyond the sphere of the Ottoman Customs, I have again carefully considered the wording of paragraph 1 of Article XX of the new draft, and I beg to offer the following observations upon it:—

Under a Regulation of the 5th February, 1869, which was approved by the Embassies, the passage of vessels charged with foreign salt through Turkish waters is made subject to certain obvious and perfectly reasonable rules in order to prevent smuggling, namely, that notice must be given to the Customs or other authority, according to circumstances, and that in the neighbourhood of Constantinople such vessels must anchor, if they stop at all, at certain indicated points. It is not, however, sought in any way to close Turkish waters to the transit of foreign salt, and there is no reason to think that the existing practice would be changed in the event of the new Treaty coming into force. It could not, indeed, be changed without giving rise to serious protests from other countries, such as Italy, which now habitually send their salt through the Straits for sale in Roumania and other countries beyond Turkish jurisdiction. I think, however, that it is impossible to exercise too much care in defining our rights under the new Treaty, and that in order to prevent the possibility of any attempt in the future to close the Dardanelles to foreign salt, it

would be as well to insert in the paragraph in question a form of words showing that the transit of tobacco and salt in the Ottoman Empire is only prohibited by land, and not by sea.

The following text should make this clear:—

Article XX. L'importation dans l'Empire Ottoman du tabac sous toutes les formes, y compris le toumbéki, et du sel, ainsi que leur transit par terre, sont et demeurent prohibés.

If your Lordship approves I propose to have the text altered accordingly.

I have, &c.
(Signed) N. R. O'CONOR.

No. 38.

Foreign Office to Colonial Office.

Sir, *Foreign Office, June 4, 1902*

WITH reference to your letter of the 22nd August, 1901, respecting the proposed new Commercial Treaty with Turkey, I am directed by the Marquess of Lansdowne to transmit to you a copy of a despatch from His Majesty's Ambassador at Constantinople,* suggesting a new form of words for Article XX of the draft, so as to forestall any attempt in the future to close the Dardanelles to foreign salt.

I am to request that Lord Lansdowne may be informed whether Mr. Secretary Chamberlain concurs in the proposed text.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 39.

India Office to Foreign Office.†—*(Received June 19.)*

Sir, *India Office, June 17, 1902.*

I AM directed to inform you that the Government of India have inquired whether they can be supplied with a copy of the Turkish Customs Tariff draft, with amendments referred to in Sir N. O'Conor's despatch No. 9, Commercial, of the 20th January, 1902.

Lord George Hamilton will be obliged if a copy can be furnished for transmission to India, and another for record in this Office.

The Government of India have also asked for information as to how Indian goods reaching Turkey indirectly, as *e.g.*, the large importation into Turkey of Burman rice transhipped at Port Said, will be treated under the proposed Tariff and Treaty. The provisions of paragraph 8 of the Protocole Final of the draft Treaty do not expressly deal with such cases, and I am to request that the point may be brought to the notice of Sir N. O'Conor.

I am, &c.
(Signed) A. GODLEY.

No. 40.

Colonial Office to Foreign Office.—*(Received June 19.)*

Sir, *Downing Street, June 18, 1902.*

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letter of the 4th instant, and to state, for the information of the Marquess of Lansdowne, that he concurs in the amended form of words for Article XX of the draft Commercial Treaty with Turkey, proposed in the despatch from His Majesty's Ambassador at Constantinople, dated the 25th ultimo.

I am, &c.
(Signed) FRED GRAHAM.

---

* No. 37. † Copy to Constantinople, No. 75, Commercial, June 20, 1902.

No. 41.

The Marquess of Lansdowne to Mr. de Bunsen.

(No. 76. Commercial.) *Foreign Office, June 25, 1902.*

Sir,

I HAVE received Sir N. O'Conor's despatch No. 70, Commercial, of the 25th ultimo respecting Article XX of the draft Treaty of Commerce with Turkey.

I approve the amended form of words proposed by his Excellency.

I am, &c.
(Signed) LANSDOWNE.

No. 42.

*Mr. de Bunsen to the Marquess of Lansdowne:**—*(Received July 7.)*

(No. 92. Commercial.) *Therapia, June 30, 1902.*

My Lord,

I HAVE the honour to transmit, for the information of the India Office, a Memorandum by Mr. Weakley, Commercial Attaché, giving the information asked for in the inclosure to your Lordship's despatch No. 75, Commercial, of the 20th instant, respecting the treatment under the new Tariff of Indian goods reaching Turkey indirectly.

I have, &c.
(Signed) M. DE BUNSEN.

Inclosure in No. 42.

Memorandum by Mr. Weakley.

WITH regard to the information desired by the Government of India regarding the treatment to which Indian goods will be subjected under the proposed new Treaty and Tariff when they reach Turkey indirectly, *i.e.*, through Egypt, and mentioned in the India Office despatch to the Foreign Office of the 17th June last, I have the honour to submit the following as the only likely contingencies under which Indian goods could reach Turkey indirectly from Egypt:—

1. Indian goods, such as rice, tea, indigo, &c., when transhipped at Port Saïd, and arriving at a Turkish port on a through bill of lading, will only be subjected to the Turkish specific Tariff.

2. If these goods, on their arrival at Port Saïd or Alexandria, be placed in the bonded stores at these ports, and be subsequently shipped to Turkey, they will, on leaving Egypt, have to pay the bonded stores' charges only and the specific Tariff on their landing at the Turkish ports.

3. Indian merchandise which has been landed in Egypt and paid the Egyptian import duty will, on its exportation to Turkey, come under the provisions of paragraphs 3 and 4 of Article VII of the proposed draft Treaty, *i.e.*, the amount of import duty already paid to the Egyptian Customs, will be refunded on the goods leaving the country (Egypt), and such goods will only pay the specific Tariff duty on their introduction into Turkey.

Certificates of origin, referred to in paragraph 8 of the Final Protocol, would be necessary in the event of the Turkish import duty on Egyptian produce being higher than that fixed in the specific Tariff.

(Signed) E. WEAKLEY.

June 30, 1902.

---

* Copy to India Office, July 10, 1902.

No. 43.

Mr. de Bunsen to the Marquess of Lansdowne.—(Received July 7.)

(No. 93. Commercial.)
My Lord, *Therapia, June 30, 1902.*

WITH your Lordship's approval in your despatch No. 76, Commercial, of the 25th instant, of the amended form of words proposed by His Majesty's Ambassador for Article XX of the draft Treaty of Commerce with Turkey, the series of amendments which have been suggested by a renewed study of the draft since its general form was sanctioned may, I hope, be regarded as completed.

I venture, therefore, to inclose a copy of the draft Treaty in the definite form which it has now assumed, and to suggest that it may be reprinted in that form.

I have, &c.
(Signed) M. DE BUNSEN.

Inclosure in No. 43.

Draft Commercial Treaty between Great Britain and Turkey.

[Printed separately.]

No. 44.

*Foreign Office to India Office.**

Sir, *Foreign Office, July 29, 1902.*

WITH reference to my letter of the 10th instant, I am directed by the Marquess of Lansdowne to transmit herewith a copy of a despatch from His Majesty's Chargé d'Affaires at Constantinople,† inclosing an amended draft of the proposed Commercial Treaty with Turkey.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 45.

Mr. de Bunsen to the Marquess of Lansdowne.—(Received August 6.)

(No. 34 A. Commercial.)
(Telegraphic.) P. *Constantinople, August 6, 1902.*

WITH reference to the despatch No. 56, Commercial, from this Embassy of the 9th April, I have the honour to inform your Lordship that a note has just reached me from the Minister for Foreign Affairs, in which his Excellency, after referring to previous correspondence respecting Commercial Treaty negotiations, informs me that the Delegates of the two Governments are to have their first meeting at the Sublime Porte to-morrow.

I am replying to his Excellency that I must wait to receive your Lordship's instructions, and that it is doubtful whether the present moment is, in view of the Sublime Porte's vexatious attitude in customs and quarantine questions, a favourable one for the resumption of negotiations.

I have dealt in my despatch No. 305 of the 1st July with the connection between the Treaty negotiations and the unification scheme, and it is probably the acceptance by the Sultan of the latter which has led His Majesty to take this step.

---

* Also to Colonial Office, Board of Trade, Post Office, and Treasury.

† No. 43.

No. 46.

Memorandum by Sir N. O'Conor on Mr. de Bunsen's telegram No. 34 A, Commercial, of August 6, 1902.

IF he receives, as I have no doubt he will do, satisfactory assurances in regard to quarantine and customs questions and mining regulations, I think we might agree to begin the negotiations.

It might be well, however, to tell De Bunsen to inform the Sublime Porte that the signature of the Treaty will depend upon the action of the Ottoman Government in these and other matters. We are giving up a good deal, and we have a right to expect a reasonable *quid pro quo*.

(Signed) N. R. O'CONOR.

41, *Clarges Street, London,*
August 8, 1902.

I agree.—L.

No. 47.

Mr. de Bunsen to the Marquess of Lansdowne.—(Received August 12.)

(No. 112. Commercial.)
My Lord, *Therapia, August 6, 1902.*

WITH reference to my Commercial telegram of to-day, I have the honour to transmit copy of the note in which I am informed by the Ottoman Foreign Minister that the first meeting of the Delegates for the resumption of negotiations for a new Treaty of Commerce between Great Britain and Turkey will be held at the Sublime Porte to-morrow afternoon.

Pending the receipt of your Lordship's instructions, I have thought the opportunity a good one to bring home to this Government the dissatisfaction and annoyance which is at the present time so deeply felt by the British commerial and shipping community on account of the increasing stringency of the Edicts enforced by the Sanitary and Customs Departments, in defiance often of Treaty obligations, against British trade and shipping. I allude more especially to the following points:—

1. The illegality of the period of twelve days' quarantine now enforced on arrivals from Egypt. (See my despatch No. 108, Commercial, of the 30th ultimo.)

2. The obnoxions Regulation which prohibits vessels from an infected port from using the Constantinople quays, notwithstanding their compliance with all the directions for the destruction of rats. (See my despatch No. 101, Commercial, of the 22nd ultimo.)

3. The enforcement of Regulations rejected by the Embassies, submitting a larger category of articles to the inspection of the Imperial School of Medicine, as a preliminary to their admission into the country. The grievance under this heading is a growing one, the last pretention of the School of Medicine being that no foreign chemicals which do not precisely conform to the French Codex shall be admitted. British quinine and other drugs of established reputation are thus excluded. I am preparing a Report for your Lordship on this general subject, in obedience to the instructions contained in your despatch No. 93, Commercial, of the 30th ultimo.

4. The continued discrimination against the Khedivieh Line of steamers, which alone among the foreign mail steamers plying between Constantinople and the Mediterranean ports is required, at great inconvenience and some risk, to stop its vessels on their way down the Dardanelles to deliver up their Firman. (See my despatch No. 91, Commercial, of the 30th June.)

Notwithstanding the assurance given to Sir Nicholas O'Conor last June, before his departure on leave, that the same treatment in this respect should be applied to all mail steamers of whatever nationality, my repeated representations at the Sublime Porte have failed to produce the slightest impression, and most-favoured-nation treatment is still obstinately withheld from the British Line.

It would be easy to enlarge this list, but the above points are perhaps sufficient to show that the Sublime Porte is hardly justified in assuming that negotiations for a new

Treaty will be immediately resumed at their convenience, so long as their disregard of the ancient Treaties is so openly manifested.

The question of resumption appears to depend further, as suggested in my despatch No. 305 of the 30th June, on questions connected with the British share in the great enterprise of the Bagdad Railway. On this point I am unaware of the course which the negotiations have recently taken, and I shall abstain from mentioning this aspect of the question to the Sublime Porte unless directed by your Lordship to do so.

I have merely pointed out to his Excellency the Foreign Minister, verbally, through Mr. Fitzmaurice, that His Majesty's Embassy cannot decide off-hand as to pursuing the negotiation for a new Treaty in the face of the attitude recently taken up by the Sublime Porte in regard to the above commercial and sanitary questions.

I have had the honour to report to your Lordship in my despatch No. 358 of the 6th instant that M. Rouvier's unification scheme has at last secured the Sultan's sanction. Your Lordship is aware that the scheme provides for a transfer from the Public Debt to the Imperial Treasury of the prospective increase of the Customs revenue which will be brought about when the new Treaties are signed and the specific Tariff comes into operation. It is natural, therefore, that, having accepted M. Rouvier's proposals, the Sublime Porte should turn its attention to the conclusion of new Treaties, and this is doubtless the explanation of the note which forms the subject of this despatch.

I have, &c.
(Signed) M. DE BUNSEN.

Inclosure in No. 47.

Tewfik Pasha to Mr. de Bunsen.

Sublime Porte, Ministère des Affaires Etrangères, le 5 Août, 1902.

M. le Chargé d'Affaires,

ME référant à la correspondance précédemment échangée avec l'Ambassade de Sa Majesté Britannique, je viens vous informer que la première réunion des Délégués des deux Gouvernements chargés de poursuivre les négociations pour la conclusion d'un nouveau Traité de Commerce a été fixée à Jeudi prochain, le 26 Juillet (7 Août) [*sic*] courant.

Elle aura lieu au siège de mon Département à 3 heures de l'après-midi.

Agréez, &c.
(Signé) TEWFIK.

No. 48.

*Mr. de Bunsen to the Marquess of Lansdowne.**—(*Received August* 15.)

(No. 114. Commercial.)

My Lord, *Therapia, August* 9, 1902.

WITH reference to your Lordship's Commercial telegram No. 15 of the 17th ultimo, I have the honour to report that M. Naus, of the Persian Customs, arrived at Constantinople this morning. He is staying at Therapia, and expects to be kept here for some time. He tells me his object is to place Persia in the same position as the European Powers in respect of the Turkish Tariff.

I have, &c.
(Signed) M. DE BUNSEN.

---

* Copy to India Office and Board of Trade, September 2, 1902.

No. 47*.

The Marquess of Lansdowne to Mr. de Bunsen.

(No. 19. Commercial.)
(Telegraphic.) P. *Foreign Office, August* 12, 1902.

YOU may inform the Porte that upon their action with regard to quarantine and the other questions referred to in your despatch No. 112, Commercial, will depend the resumption of the negotiations for a new Commercial Treaty.

No. 49.

Mr. de Bunsen to the Marquess of Lansdowne.—(*Received August* 25.)

(No. 120. Commercial.)

Constantinople, August 18, 1902.

My Lord,

WITH reference to your Lordship's telegram No. 18, Commercial, of the 7th instant, I have the honour to transmit the accompanying copy of a note which I have addressed to the Minister of Foreign Affairs concerning the resumption of negotiations for a new Treaty of Commerce.

I have, &c.
(Signed) M. DE BUNSEN.

Inclosure in No. 49.

M. de Bunsen to Tewfik Pasha.

Constantinople, August 18, 1902.

M. le Ministre,

I LOST no time in referring to my Government the note concerning the resumption of negotiations for a new Treaty of Commerce which your Excellency did me the honour to address to me on the 5th instant.

I have now received Lord Lansdowne's instructions to make the following observations in reply.

His Majesty's Government consider that the attitude which has been recently adopted by the Sublime Porte in relation to commercial, shipping, and sanitary questions has an important bearing on the above question.

I am to draw your Excellency's attention in particular to the following points:—

1. The continual enforcement, in a degree of increasing stringency, against certain British imports into Turkey, of a Regulation restrictive of existing Treaty rights, and not accepted by His Majesty's Embassy, in virtue of which many articles of commerce, including drugs of established repute, conforming to the requirements of the British Pharmacopœia, are now excluded at the discretion of the officers of the Imperial School of Medicine from Turkey alone among the nations of the world.

2. The imposition against arrivals from Egypt of a term of quarantine exceeding not only the period held sufficient by the Imperial Sanitary Board, but the maximum period sanctioned by the terms of the Turkish Sanitary Règlement of 1867. This Règlement was accepted by Imperial Iradé, and it was based on the conclusions likewise accepted by the Sublime Porte of the International Conference which sat at Constantinople in 1866.

3. The continued refusal of most-favoured-nation treatment to vessels of the Khedivieh Line, which, alone among the foreign mail steamers touching at Constantinople, are denied the privilege of passing down the Dardanelles without stopping to deliver up their Firmans.

4. The enforcement of a Regulation by which vessels from a contaminated port, which have complied with all the prescribed Rules for disinfection by destruction of rats, are, nevertheless, prohibited from coming alongside the Constantinople quays. By accepting this Regulation, the Sublime Porte rejects the principle, dictated by modern sanitary science, that vessels should be treated according to the state of health prevailing on board, and not according to that which prevails in the port of departure.

The list might be easily enlarged, but the points mentioned will perhaps suffice to indicate to your Excellency the reasons, derived from the recent policy of the Sublime Porte concerning these matters, which have caused His Majesty's Government to hesitate before accepting the invitation of the Sublime Porte to proceed at once with the negotiations. It is thought that on the above questions some explanation is due to His Majesty's Government, and I am to express the hope that they will be taken into earnest consideration by the Sublime Porte with a view to the inauguration of a commercial and sanitary policy towards the trade and shipping of Great Britain which shall be more consistent with the spirit of the existing engagements and with the practice of other civilized nations.

I have, &c.
(Signed) M. DE BUNSEN.

No. 50.

The Marquess of Lansdowne to Mr. de Bunsen.

(No. 105. Commercial.)

Foreign Office, August 27, 1902.

Sir,

I HAVE received your despatch No. 120, Commercial, of the 18th instant, respecting the resumption of commercial negotiations with Turkey, and I approve the note addressed by you to the Porte on the subject.

I am, &c.

(Signed) LANSDOWNE.

o